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OFFICIAL REPORT
(HANSARD)

Monday, June 18, 2018

The Honourable GEORGE J. FUREY,
Speaker

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THE SENATE

Monday, June 18, 2018

The Senate met at 6 p.m., the Speaker in the chair.

Prayers.

BUSINESS OF THE SENATE

The Hon. the Speaker: Honourable senators, there have been consultations and there is an agreement to allow a photographer in the Senate Chamber to photograph the introduction of a new senator.

Is it agreed, honourable senators?

Hon. Senators: Agreed.

NEW SENATOR

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that the Clerk has received a certificate from the Registrar General of Canada showing that Colin Deacon has been summoned to the Senate.

INTRODUCTION

The Hon. the Speaker, having informed the Senate that there was a senator without, waiting to be introduced:

The following honourable senator was introduced; presented Her Majesty's writ of summons; took the oath prescribed by law, which was administered by the Clerk; and was seated:

Hon. Colin Deacon, of Halifax, Nova Scotia, introduced between Hon. Peter Harder, P.C., and Hon. Percy E. Downe.

The Hon. the Speaker informed the Senate that the honourable senator named above had made and subscribed the Declaration of Qualification required by the Constitution Act, 1867, in the presence of the Clerk of the Senate, the Commissioner appointed to receive and witness the said declaration.

CONGRATULATIONS ON APPOINTMENT

Hon. Peter Harder (Government Representative in the Senate): Your Honour, it is my pleasure, as the Government Representative in the Senate, to welcome our newest colleague, the Honourable Colin Deacon, here to represent his province of Nova Scotia.

[*Translation*]

Senator Deacon's career has been remarkable. As a 21st-century entrepreneur, he understands that innovation is key to economic development. His success in business extends to the charitable sector, where he has been very active on the board of various organizations dedicated to children's health and well-being and to helping those in need in Halifax.

[*English*]

We also understand the importance of innovation for a strong economy. What Senator Deacon brings to this chamber is experience helping transform ideas into products and services that improve lives, create jobs and contribute to a stronger Canadian economy.

As an entrepreneur and leader, Senator Deacon has played an important role in leading and helping grow technology start-ups across Nova Scotia and Atlantic Canada.

• (1810)

His experience in citizenship engagement and design thinking have prepared him as a valuable contributor to public policy in this legislature.

Senator Deacon, please know that while this chamber is steeped in traditions and rituals, the Senate is also a place where innovation takes place.

From the appointment process that brought you here, to the formation of different groups, to the way this chamber deliberates and debates, we are innovating in the way we carry out our responsibilities as the chamber of sober second thought.

As you know well from business, disruption and change, while challenging, can create opportunities for excellence. I think you will find those opportunities as you make yourself at home here in the Senate.

Honourable colleagues, on a more personal note, Senator Deacon is known for his warmth and humanitarian qualities, his dedication to family and friends, and a deep awareness of issues affecting our society.

He brings with him a positive attitude and proven problem-solving skills which I know will be welcomed and valued here among us.

[*Translation*]

Welcome to the Senate, Senator Deacon.

[*English*]

Hon. Larry W. Smith (Leader of the Opposition): Honourable senators, I also rise to extend words of welcome to our newest colleague, Honourable Colin Deacon, who was appointed to this chamber last Friday upon the recommendation of Prime Minister Trudeau.

[*Translation*]

On behalf of all Conservative senators, I would like to congratulate Senator Deacon as he makes his debut in the Senate of Canada as a member of the upper chamber and a representative of the province of Nova Scotia.

[*English*]

I know I speak for all of my colleagues in stating that we are looking forward to getting to know you, Senator Deacon, and for you, in turn, to learn about us as individuals and the role that we perform collectively as the official opposition and all senators within the Senate. Senator Deacon's great success as an entrepreneur and a venture capitalist, combined with his extensive civic involvement in his home province, will no doubt serve him well as he applies his skills to his work here in the Senate.

It is an incredible honour to be appointed to serve as a senator, and I am certain that all honourable senators feel this way, whether they have served here for decades or if they are just beginning their service today.

Welcome, Senator Deacon. Best wishes to you and your family as you begin the next chapter of your life here in the Senate of Canada.

Hon. Yuen Pau Woo: Honourable colleagues, on behalf of the Independent Senators Group, it is my pleasure to extend our warmest congratulations to the Honourable Senator Colin Deacon of Nova Scotia on his appointment to the upper house.

At a time when Canada's economic prospects are clouded by the extreme unpredictability of our most important trading partner and, indeed, by the threat of a global trade war, the need to find new sources of growth for the Canadian economy is greater than ever. The key to new, sustainable sources of growth is innovation. Now, there is no shortage of innovation in this country, but we have been less successful in commercializing our innovations and creating world-class businesses in Canada that generate wealth from these innovations and the many positive spin-offs that come with wealth creation.

Enter Senator Deacon from Nova Scotia, who has a track record as a technology entrepreneur, a start-up champion and a venture capitalist. Some of his accomplishments include BlueLight Analytics, a company that is dedicated to improving the quality of restorative dentistry, and SpellRead, a company focused on improving reading skills among kids. He is also entrepreneur in residence at Startup Zone, P.E.I., a Charlottetown organization that helps entrepreneurs to explore and test an idea as quickly and inexpensively as possible.

Senator Deacon also helped found a health sciences venture capitalist fund known as Canadian Medical Discoveries Fund, which raised $300 million in investment capital and has quickly become Canada's largest investor in life sciences.

In the words of Senator Deacon, he is "Passionate About Creating Opportunity, Jobs † Wealth from Academic Research."

Senator Deacon, I know that you will bring that same passion to the Senate and much more besides. We welcome you to the Senate family, and we look forward to working with you.

Hon. Senators: Hear, hear!

Hon. Percy E. Downe: Thank you, colleagues, and Senator Day, Leader of the Senate Liberals, for offering me this opportunity to speak and welcome Senator Deacon. I have known Senator Deacon and his family personally for a long time.

Senator Deacon, although the good lines have been taken, and I won't repeat them, I fully endorse what has been said. Your business experience and your entrepreneurship has always come with a human side of helping the less fortunate. As Senator Woo indicated earlier, SpellRead was helping those who had difficulty reading, and advancing children, adults and seniors, whatever their age. All the initiatives you were involved in had the principle of helping the community that you live in and the country.

This is not only true for Senator Deacon, but it is also true for his spouse, Jennifer, who is here today, and I know it would also be true for their children.

Senator Deacon comes by this quite honestly, of course, because his parents, who retired to Prince Edward Island a number of years ago, and at an age when most people put their feet up, got actively involved in all aspects of the Prince Edward Island community. They instilled in all their children the importance of public service and contribution, and I know how pleased all the siblings are on your appointment today.

You have big shoes to fill, given the role your parents played, but I know you're more than competent to do that.

In fact, it was Senator Deacon's father, Donald Deacon, when he heard the trains were pulling out of P.E.I. — and we just chatted about that a few weeks ago, about no rail service in P.E.I. — saw an opportunity. He went to the PEI Rails to Trails and said, "Let's turn these abandoned rail tracks into walking and biking trails."

I will tell you, colleagues, that was not very popular at the time because every farmer wanted the 10 feet of their land back. No one wanted people walking across their land. I still remember the former Premier Joseph Ghiz saying, "Donald Deacon is right: If we lose that land, we'll never be able to assemble it again." Today, we have this tremendous trail system in P.E.I., The Canadian Trail that we all enjoy across the country.

Florence and Donald Deacon were part of that generation that instilled in their children the importance of service because they served in the Second World War. Florence was overseas in the London area; Donald was on the front lines, where he won the Military Cross.

In fact, there is a well-known story. Shelagh Rogers at CBC interviewed Donald Deacon years ago. He talked about the war ending and wrapping up, and he and a friend were talking by the side of the road as they were waiting for the battle up ahead to clear out so they could go in the other direction to another battle. They talked about what life they would like to have in the future. The two men agreed all they could do was go home to Canada, raise a family of caring individuals, contribute to the lives of others in their communities, and encourage everyone they met to travel the world so that they could experience and gain respect for other cultures and people.

Their conversation ended and his colleague went up the road. His car blew up and he was killed. Two days later the war ended. Donald returned to Canada, married Florence and had six children. Today his son is able to participate in democracy, to vote, to disagree and all the other things we take for granted in the freedom of this country because his parents fought for it. He gets to enjoy it, as we all do in the Senate and as all Canadians do.

Welcome to the Senate of Canada, Senator Deacon.

Hon. Senators: Hear, hear!

SENATORS' STATEMENTS

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Rev. Dr. John Kerr and Ruth Kerr. They are the guests of the Honourable Senator Plett.

On behalf of all honourable senators, I welcome you to the Senate of Canada.

Hon. Senators: Hear, hear!

TRINITY WESTERN UNIVERSITY

Hon. Donald Neil Plett: Colleagues, this past Friday the Supreme Court of Canada rendered a decision representing the biggest slap in the face to religious freedom in our country's judicial history. The Supreme Court, in a 7-2 decision, sided with Ontario and B.C.'s law societies who have decided not to accredit future graduates of Trinity Western University's proposed new law school because the students are required to sign a community covenant, or code of conduct, upon enrolment. The code of conduct bars sexual intimacy other than that within a marriage between a man and a woman.

Some law societies stated there would be fewer law school slots available for homosexual students nationally, which is simply false. The school does not prohibit gay students or even non-Christians from enrolling, and the rule in question will undoubtedly affect more unmarried heterosexual couples.

• (1820)

No one is compelled to attend this university, as former Chief Justice Beverley McLachlin pointed out:

> Students who do not agree with the religious practices do not need to attend. But if they want to attend, for whatever reason, and agree to the practices required of students, it is difficult to speak of compulsion.

However, McLachlin set reason aside and was one of the seven who voted against the university.

The ruling is full of contradictions and yet, sadly, is profoundly precedent setting. Until now, the reigning Supreme Court principle was the result of a 2001 decision following a challenge of Trinity Western's proposed teachers' college. In this 8 to 1 decision, the Supreme Court stated:

> For better or worse, tolerance of divergent beliefs is a hallmark of a democratic society.

Apparently, this principle, while supposedly protected by our Charter, is one that is no longer held by our highest court.

Justices Côté and Brown, in a well-reasoned dissenting opinion, eloquently ripped Friday's decision apart:

> The state and state actors (like the law societies) — not private institutions like Trinity Western — are constitutionally bound to accommodate difference in order to foster pluralism in public life. Equating approval (of Trinity law) to condonation, (of the covenant) turns the protective shield of the Charter into a sword by effectively imposing Charter obligations on private actors.

They later state:

> Canadians are permitted to hold different sets of values.

Colleagues, this is a sad day for religious freedoms. I will close with this, as noted by Howard Anglin, Executive Director of the Canadian Constitution Foundation:

> The right at stake in this case was freedom of religion, but it could just as easily be freedom of speech or expression in a future case.

Thank you.

NATIONAL SICKLE CELL AWARENESS DAY

Hon. Jane Cordy: Honourable senators, sickle cell disease is the most common genetic disease in the world, and the number of people born with it continues to increase. It is estimated that over 300,000 babies are born with sickle cell each year worldwide. In Canada, 5,000 Canadians live with sickle cell disease.

Sickle cell disease is caused by an abnormal form of hemoglobin, the molecule in red blood cells which carries oxygen throughout the body. With sickle cell disease, the red blood cells become deformed and the abnormal hemoglobin is not able to work properly. Normal red blood cells are donut

shaped and they move easily through the body's blood vessels, delivering oxygen to the organs. In patients with sickle cell disorder, the red blood cells become stiff and sickle shaped.

Sickle-shaped blood cells do not function like healthy red blood cells. The deformed cell does not flow easily through the blood vessels. This reduces the oxygen getting through the body to the organs. The result is clogged blood vessels and low red blood cell count.

The starvation of oxygen to the body's systems most commonly manifests itself in severe pain, especially in the bones, but it can cause damage to shoulder and hip joints or chest pain from acute chest syndrome.

Those with sickle cell are born with it and spend a life time managing the disease. Regular blood transfusions, pain medication regimens and living a healthy lifestyle with smart dietary choices and physical activity all contribute to improved quality of life, but this is not a cure.

Sickle cell disease can be devastating for young people and can leave parents and families feeling hopeless as they watch their children suffer the pain of sickle cell disease.

I have spoken many times in this place about sickle cell disease and the effects it has on those living with it and their families.

Honourable senators, I am very proud to say that Canada will officially recognize June 19 as National Sickle Cell Awareness Day for the first time tomorrow.

Celebrations are planned all across the country. Tomorrow, in Toronto, the CN Tower, City Hall and the Princes' Gate will be lit up in red to mark the day. Other cities like Verdun, Quebec, Vancouver, British Columbia, and Halifax, Nova Scotia, my home province, will have their city halls lit up in red for sickle cell as well.

On June 9, Nova Scotia promoted a blood drive in recognition of National Sickle Cell Awareness Day and the Mayor of Verdun made a declaration at the municipal council today. Other planned activities will include a balloon release ceremony in Saskatoon and Winnipeg. I feel privileged to be invited to celebrate with the Sickle Cell Awareness Group of Ontario at a flag raising ceremony at Toronto City Hall tomorrow.

Honourable senators, I am honoured to celebrate with the sickle cell community across the country the very first National Sickle Cell Awareness Day in Canada. The path to a cure begins with awareness. I encourage honourable senators to help me spread awareness about sickle cell disease with the people in your provinces and territories.

I thank you.

AIR INDIA FLIGHT 182

Hon. Ratna Omidvar: Honourable senators, I rise to remind us and remember a very sad, sombre and horrific day in our history.

Thirty-three years ago, on June 23, 1985, a bomb ripped apart Air India flight 182 over the coast of Northern Ireland. All 329 passengers on board were murdered, including 82 children, 6 babies and 29 entire families. Two children not on board lost both parents, making them orphans in a few minutes. This was and is still the worst terrorist attack in Canadian history.

In the first few months and years following, there was confusion and even denial that this was an attack against Canadians because most, not all, but most, — on board were Indo-Canadians and the flight was operated by Air India. Twenty years later we acknowledge that this was indeed a Canadian tragedy of historic proportions.

Governor General Adrienne Clarkson declared June 23 a national day of mourning for victims of terrorism. Prime Minister Paul Martin said:

> Make no mistake: The flight may have been Air India's, it may have taken place off the coast of Ireland, but this is a Canadian tragedy.

I remember this tragedy vividly. The Indo-Canadian community was much smaller in 1985. We still remember the calls we got that morning, alerting us to reach out to those who had lost sons and daughters, mothers and fathers, sisters and brothers, wives and husbands.

The subsequent investigation and prosecution lasted almost 20 years. Former Supreme Court Justice John C. Major led an inquiry into the terrorist attack and concluded that a "cascading series of errors," a turf war, among the Government of Canada, the RCMP and CSIS failed to prevent an attack that was indeed preventable, and so there continues to be a lingering sense after all these years that justice was not done.

Honourable senators, there are moments that define our history. This is one of them. We must never forget this incident, the lives lost, the victims and their families. After all these years, lives have been eventually remade, however tenuously, but the loss has not been forgotten. Neither has the sense that there is a huge emotional distance between the scale of the tragedy, on the one hand, and its place in our collective memory on the other.

For this reason, I will be attending the memorial this Saturday, June 23, because I want to make sure that the telling and retelling of this terrible terrorist attack is not lost. As we tell Canada's story, let's make sure this is not just another footnote but very much part of our Canadian family album.

COME FROM AWAY

Hon. Fabian Manning: Today, I am pleased to present Chapter 36 of "Telling Our Story."

A few days ago, I was telling you the story of what happened in the Newfoundland and Labrador town of Gander and surrendering communities following the horrific attack on the United States on September 11, 2001. Several other places in our province also rose to the occasion when assistance was needed, namely the city of St. John's and the towns of Stephenville and Happy Valley-Goose Bay, where several other planes were forced to land as well.

While everyone played an important and necessary role in responding to this incredible tragedy, it was the town of Gander and surrounding communities that spawned the production of an award-winning and critically acclaimed hit musical titled *Come From Away*. It is a true story of a small Newfoundland town that threw opened its hearts and homes and welcomed the world.

Created by Canadians Irene Sankoff and David Hein, *Come From Away* was first performed in 2013 and opened on Broadway on March 12, 2017. The show has been performing to sold-out crowds ever since and has been nominated for several awards, winning the Tony Award in 2017 for best direction of a musical.

• (1830)

In a review in *Newsweek* magazine, Joe Westerfield wrote that it does ". . . what all the best musicals do: It takes you to a place . . . and makes you not want to leave."

On March 15, Prime Minister Trudeau took in the show in New York City, accompanied by a large group, including first daughter Ivanka Trump. With all that has been going on recently, maybe it is time for the Prime Minister to invite President Trump to a showing.

Others who have taken in the show in New York City include former U.S. President Bill Clinton and his wife Hillary. Country superstar Reba McEntire also attended and even posed for a photo with the cast while holding a codfish. Tina Fey, Whoopi Goldberg, Jimmy Buffett and Canada's own Michael J. Fox have also been among the thousands who took time out of their busy schedules to attend the show.

Last summer, my wife and I, accompanied by our daughter and my sister-in-law, travelled to New York to see the production, and I am certain I could never be more proud to call Newfoundland and Labrador my home than I was that night attending this Broadway show.

For those of you who do not want to go away to see *Come From Away*, you really don't have to because the hit musical opened at the Royal Alexandra Theatre, in Toronto, on February 18 of this year. Now, I would advise you to book your tickets early because the $5 million Toronto production has recovered its cost in what is being described as an unprecedented 14 weeks of sold-out performances. Originally, the Toronto show was due to wrap up in the New Year, but, due to the phenomenal demand, the show will be extended until next April and will move in February from the Royal Alexandra to the Elgin Theatre.

According to arts impresario David Mirvish, *Come From Away's* success has "befuddled all expectations," not only in Toronto but also on Broadway. He goes on to say:

> This is actually doing something not only for the people of . . . Newfoundland, it's actually doing something for Toronto. It's making Toronto a destination.

A recent review in the *Globe and Mail* stated that the show was:

> A gem! Powerful, heart-warming and very funny. A celebration of humanity. The tremendous buzz is entirely justified.

I totally agree.

The show's momentum is not slowing down. The musical will open in Australia on July 20, 2019. Along with that, the show's soundtrack has been nominated for a Grammy, and the Canadian creators are hard at work on a film adaptation.

Colleagues, in Newfoundland and Labrador, there are definitely no strangers, just friends you have yet to meet. As the former Mayor of Gander, Claude Elliot, once said, "Love and compassion is free; you don't have to pay for it."

This show manifests the human kindness and hospitality my home province is known for. I encourage you to go see it for yourself, and, once again, I promise you will not be disappointed.

FERGUS SCOTTISH FESTIVAL AND HIGHLAND GAMES

Senator R. Black: Honourable senators, I rise today in my Scottish finery to speak to you about a very exciting event that is taking place this summer in my hometown of Fergus, Ontario. As you plan for your summer holidays, I would encourage you to think about joining me in Fergus on August 10 to 12 for the Fergus Scottish Festival and Highland Games. The festival and Highland Games has enjoyed tremendous success since its inception in 1946. The games exemplify all things Scottish, with a focus on heavy events, highland dancing, pipes and drums, clans and heritage, in an interactive, family and community-minded way.

The Highland Games originated with the ancient Celts in Ireland, and then thrived and evolved in the competitive environment of the clan structure in Scotland. The Highland Games evolved into a positive celebration of culture and history, focusing on the most accomplished in each of the competitive fields, as well as for the onlooker who enjoys the ambiance of cultural heritage.

The Fergus Scottish Festival and Highland Games is pleased to participate in the promotion, presentation and preservation of Scottish culture through good-natured competition and heritage education.

Scottish immigration around the world has resulted in clanship followings on all continents. Festivals like the Fergus Scottish Festival and Highland Games and other such celebrations, here in Ontario and beyond, encourage participants to discover their roots and find the clan to which their kinship evolved. My clan, the MacGregors, trace their roots to Gregor, the son of King Alpin, who united Scotland in 843.

This year's event in Fergus is sure to be the best yet. The Games Chieftain this year is Baroness Miranda Van Lynden MacRae, and the featured guest is Graham McTavish of

Outlander fame. He will be there Saturday and Sunday. Guests can also enjoy the famous Red Hot Chilli Pipers, Gillebride MacMillan, Albannach and the Glengarry Boys, as well as numerous pipe bands, dancing competitions, heavy events, tug of war competitions and, of course, whisky tasting.

I hope you will grab a kilt and consider joining me at the seventy-second annual Fergus Scottish Festival and Highland Games, August 10 to 12, for all things Scottish. It's Scotland without the airfare. A hundred thousand welcomes, and haste ye back.

[*Translation*]

ROUTINE PROCEEDINGS

PUBLIC SECTOR INTEGRITY COMMISSIONER

2017-18 ANNUAL REPORTS TABLED

The Hon. the Speaker: Honourable senators, I have the honour to table, in both official languages, the reports of the Office of the Public Sector Integrity Commissioner for the fiscal year ended March 31, 2018, pursuant to the *Access to Information Act* and to the *Privacy Act*, R.S.C. 1985,c. A-1 and P-21, s. 72.

THE ESTIMATES, 2018-19

MAIN ESTIMATES—THIRTY-FIRST REPORT OF NATIONAL FINANCE COMMITTEE TABLED

Hon. Percy Mockler: Honourable senators, I have the honour to table, in both official languages, the thirty-first report (interim) of the Standing Senate Committee on National Finance entitled *First Interim Report on the 2018-2019 Main Estimates* and with leave of the Senate and notwithstanding rule 5-5(f), I move that the report be placed on the Orders of the Day for consideration later this day.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Senators: Agreed.

(On motion of Senator Mockler, report placed on the Orders of the Day for consideration later this day.)

[*English*]

CANADA LABOUR CODE
PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT
BUDGET IMPLEMENTATION ACT, 2017, NO. 1

BILL TO AMEND—FIFTEENTH REPORT OF HUMAN RIGHTS COMMITTEE PRESENTED

Hon. Jane Cordy: Honourable senators, I have the honour to present, in both official languages, the fifteenth report of the Standing Senate Committee on Human Rights, entitled, *Bill C-65, An Act to amend the Canada Labour Code (harassment and violence), the Parliamentary Employment and Staff Relations Act and the Budget Implementation Act, 2017, No. 1, with amendment and observations.*

(*For text of report, see today's* Journals of the Senate, *p. 3695.*)

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Senator Cordy: Honourable senators, with leave of the Senate and notwithstanding rule 5-5(f), I move that the report be placed on the Orders of the Day for consideration later this day.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Senators: Agreed.

(On motion of Senator Cordy, report placed on the Orders of the Day for consideration later this day.)

[*Translation*]

APPROPRIATION BILL NO. 2, 2018-19

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-80, An Act for granting to Her Majesty certain sums of money for the federal public administration for the fiscal year ending March 31, 2019.

(Bill read first time.)

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Peter Harder (Government Representative in the Senate): Honourable senators, with leave of the Senate and notwithstanding rule 5-6(1)(f), I move that the bill be placed on the Orders of the Day for second reading at the next sitting of the Senate.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Senators: Agreed.

(On motion of Senator Harder, bill placed on the Orders of the Day for second reading at the next sitting of the Senate.)

• (1840)

[*English*]

PARLAMERICAS

GATHERING OF THE OPEN PARLIAMENT NETWORK, BOARD OF DIRECTORS MEETING AND SUMMIT OF THE AMERICAS, APRIL 11-13, 2018—REPORT TABLED

Hon. Rosa Galvez: Honourable senators, I have the honour to table, in both official languages, the report of the Canadian Section of ParlAmericas respecting its participation at the 3rd gathering of the Open Parliament Network, the 45th meeting of the ParlAmericas Board of Directors and the 8th Summit of the Americas, held in Lima, Peru from April 11 to 13, 2018.

COMMITTEE OF SELECTION

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO MEET DURING SITTING OF THE SENATE

Hon. Donald Neil Plett: Honourable senators, I give notice that, at the next sitting of the Senate, I will move:

> That the Committee of Selection have the power to sit on Wednesday, June 20, 2018, even though the Senate may then be sitting, and that rule 12-18(1) be suspended in relation thereto.

PRESERVATION OF INDEPENDENT ASSESSMENT PROCESS RECORDS

NOTICE OF INQUIRY

Hon. Mary Jane McCallum: Honourable senators, I give notice that, two days hence:

> I will call the attention of the Senate to the importance of preserving the Independent Assessment Process (IAP) records of those Indian Residential School survivors who claimed compensation for historic physical and sexual abuse, pursuant to the 2006 Indian Residential Schools Settlement Agreement (IRSSA).

QUESTION PERIOD

DELAYED ANSWERS TO ORAL QUESTIONS

Hon. Peter Harder (Government Representative in the Senate): Honourable senators, I have the honour to table the answers to the following oral questions:

> Response to the oral question asked in the Senate on April 24, 2018 by the Honourable Senator Lovelace Nicholas, concerning the reinstatement of status for First Nations women.
>
> Response to the oral question asked in the Senate on May 3, 2018 by the Honourable Senator Brazeau, concerning the *Indian Act* and the elimination of sex-based discrimination.
>
> Response to the oral question asked in the Senate on June 6, 2018 by the Honourable Senator Patterson, concerning carbon pricing in Nunavut.

INDIGENOUS AND NORTHERN AFFAIRS

REINSTATEMENT OF STATUS FOR FIRST NATIONS WOMEN

(*Response to question raised by the Honourable Sandra M. Lovelace Nicholas on April 24, 2018*)

Hon. Peter Harder (Government Representative in the Senate) tabled the response to the oral question asked in the Senate on April 24, 2018 by the Honourable Senator Lovelace Nicholas, concerning the reinstatement of status for First Nations women.—Sessional Paper No. 1/42-2160S.

INDIAN ACT—ELIMINATION OF SEX-BASED DISCRIMINATION

(*Response to question raised by the Honourable Patrick Brazeau on May 3, 2018*)

Hon. Peter Harder (Government Representative in the Senate) tabled the response to the oral question asked in the Senate on May 3, 2018 by the Honourable Senator Brazeau, concerning the *Indian Act* and the elimination of sex-based discrimination.—Sessional Paper No. 1/42-2161S.

FINANCE

CARBON PRICING IN NUNAVUT

(*Response to question raised by the Honourable Peter Harder on June 6, 2018*)

Hon. Peter Harder (Government Representative in the Senate) tabled the response to the oral question asked in the Senate on June 6, 2018 by the Honourable Senator Patterson, concerning carbon pricing in Nunavut.—Sessional Paper No. 1/42-2162S.

ANSWERS TO ORDER PAPER QUESTIONS TABLED

FOREIGN AFFAIRS—INTERNATIONAL TREATY OBLIGATIONS RELATING TO MARIJUANA

Hon. Peter Harder (Government Representative in the Senate) tabled the reply to Question No. 79, dated February 14, 2018, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator McIntyre, respecting international treaty obligations relating to marijuana.

INNOVATION, SCIENCE AND ECONOMIC DEVELOPMENT—LIFE SENTENCES

Hon. Peter Harder (Government Representative in the Senate) tabled the reply to Question No. 87, dated April 17, 2018, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Smith, respecting life sentences (Innovation, Science and Economic Development Canada).

JUSTICE—LIFE SENTENCES

Hon. Peter Harder (Government Representative in the Senate) tabled the reply to Question No. 87, dated April 17, 2018, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Smith, respecting life sentences (Justice Canada).

[*Translation*]

ORDERS OF THE DAY

IMMIGRATION AND REFUGEE PROTECTION ACT CIVIL MARRIAGE ACT CRIMINAL CODE

BILL TO AMEND A BILL TO AMEND—MESSAGE FROM COMMONS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-210, An Act to amend An Act to amend the Immigration and Refugee Protection Act, the Civil Marriage Act and the Criminal Code and to make consequential amendments to other Acts, and acquainting the Senate that they had passed this bill without amendment.

CANNABIS BILL

BILL TO AMEND—MESSAGE FROM COMMONS—AMENDMENT AND DISAGREEMENT WITH CERTAIN SENATE AMENDMENTS

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that a message has been received from the House of Commons returning Bill C-45, An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts, which reads as follows:

Monday, June 18, 2018

ORDERED,—That a Message be sent to the Senate to acquaint their Honours that this House:

agrees with amendments 1, 2, 5, 6, 10, 11(b) and (c), 12, 13, 14, 15, 16, 17(b), 18, 19, 20, 21, 22, 24, 27, 28, 29, 30, 34, 35, 36 and 37 made by the Senate;

respectfully disagrees with amendment 3 because the government has been clear that provinces and territories are able to make additional restrictions on personal cultivation but that it is critically important to permit personal cultivation in order to support the government's objective of displacing the illegal market;

respectfully disagrees with amendments 4, 11(a) and 38 because they would be contrary to the stated purpose of the Cannabis Act to protect the health of young persons by restricting their access to cannabis;

respectfully disagrees with amendment 7 because the criminal penalties and the immigration consequences aim to prevent young people from accessing cannabis and to deter criminal activity by imposing serious criminal penalties for prohibited activities, including importing and exporting cannabis and using a young person to commit cannabis-related offences;

respectfully disagrees with amendment 8 because the Cannabis Act already includes comprehensive restrictions on promotion;

respectfully disagrees with amendment 9 because the Government has already committed to establishing THC limits in regulations, which will provide flexibility to make future adjustments based on new evidence and product innovation;

respectfully disagrees with amendments 17(a) and 25 because other Senate amendments that the House is accepting would provide the Minister with expanded powers to require security clearances, and because amendments 17(a) and 25 would present significant operational challenges and privacy concerns;

respectfully disagrees with amendment 23 because law enforcement has an obligation to maintain evidence unless there is a risk to health and safety, and provisions currently exist in the Cannabis Act to provide compensation should evidence be disposed of and ordered to be returned;

respectfully disagrees with amendment 26 because mechanisms already exist to provide for public scrutiny of federal regulations;

proposes that amendment 31 be amended by replacing the text of section 151.1 with the following text:

"**151.1 (1)** Three years after this section comes into force, the Minister must cause a review of this Act and its administration and operation to be conducted, including a review of the impact of this Act on public health and, in particular, on the health and consumption habits of young persons in respect of cannabis use, the impact of cannabis on Indigenous persons and communities, and the impact of the cultivation of cannabis plants in a dwelling-house.

(2) No later than 18 months after the day on which the review begins, the Minister must cause a report on the review, including any findings or recommendations resulting from it, to be laid before each House of Parliament.";

respectfully disagrees with amendment 32 because the Bill already provides for a comprehensive review of the core objectives of the Cannabis Act, including a requirement to table a report in Parliament and because the suggested amendment to amendment 31 provides for a review of the public health impacts of the Cannabis Act;

respectfully disagrees with amendment 33 because Parliament already has broad discretion to initiate studies of specific matters by parliamentary committees, and because the Bill already provides for a comprehensive review of the Cannabis Act, including a requirement to table a report in Parliament.

ATTEST

Charles Robert
The Clerk of the House of Commons

The Hon. the Speaker: Honourable senators, when shall this message be taken into consideration?

Hon. Peter Harder (Government Representative in the Senate): Honourable senators, I move that the message be placed on the Orders of the Day for consideration later this day.

(On motion of Senator Harder, message placed on the Orders of the Day for consideration later this day.)

• (1850)

BUSINESS OF THE SENATE

Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate): Honourable senators, pursuant to rule 4-13(3), I would like to inform the Senate that as we proceed with Government Business, the Senate will address the items in the following order: consideration of the thirty-first report of the Standing Senate Committee on National Finance, consideration of the fifteenth report of the Standing Senate Committee on Human Rights, and consideration of the message from the House of Commons concerning Bill C-45, followed by all remaining items in the order in which they appear on the Order Paper.

[The Hon. the Speaker]

[*English*]

THE ESTIMATES, 2018-19

MAIN ESTIMATES—THIRTY-FIRST REPORT OF NATIONAL FINANCE COMMITTEE ADOPTED

The Senate proceeded to consideration of the thirty-first report (interim) of the Standing Senate Committee on National Finance, entitled *First Interim Report on the 2018-2019 Main Estimates*, tabled in the Senate on June 18, 2018.

Hon. Percy Mockler: moved the adoption of the report.

He said: Honourable senators, I am honoured to give a few comments on the thirty-first report.

First, I would like to pay homage to Senator Cools. This will be the last time she will stand in this place and vote on government appropriations. The fact that her retirement date is fast approaching troubles many of us. I have had the honour of working with Senator Cools both as a member and deputy chair of the Standing Senate Committee on National Finance, and I wish to thank her for her hard work and also the privilege I have had in working with her.

Senator Cools, you have always been steadfast and faithful to the due diligence of the role of the Senate of Canada within our constitutional obligations.

Many of us, not to say many Canadians, will miss you reminding us in this great chamber of special quotes from the Right Honourable William Ewart Gladstone as we strayed from the real debate about our democracy and have brought us back on track. You have touched a lot of people in your life and influenced many debates in this great chamber. On behalf of all the members of the Standing Senate Committee on National Finance, we want to thank you for your dedication to Canada.

Hon. Senators: Hear, hear!

Senator Mockler: Honourable senators, the National Finance Committee is not what one would describe as our most popular committee. It's not always easy to find senators with the expertise and commitment to work the long hours it takes to understand government expenditures. Although I continue to find the proceedings both challenging and, at times, exhilarating, I know some in this place do not share that view. However, we did our job.

So I wish to congratulate my colleagues on the committee and truly thank them on behalf of all Canadians for their hard work and enduring commitment.

Honourable senators, as chair and on behalf of the members of the Standing Senate Committee on National Finance, I speak to you today on our thirty-first report.

[*Translation*]

The government presents its estimates to Parliament to support its request for authorization to spend public funds, and, if passed, today's bill will provide that authorization. Instead of studying the bill that just came in, as well as the report, Parliament studies the budget estimates, which include performance and results indicators, to determine whether the departments are meeting their responsibilities.

Actually, we receive the budget forecasts months in advance, and it is those documents that the departments use to outline and defend their financial requirements. The Main Estimates contain information on both budgetary and non-budgetary spending authorities, as well as the voted items we are being asked to consider today. Statutory items are provided for information only.

As chair of the Standing Senate Committee on National Finance, I tabled our thirty-first report on the 2018-19 Main Estimates, which we are examining today. For 2018-19, we studied $129 billion of the $275 billion requested by 14 different government departments. Honourable senators, the expenditures of these 14 departments account for about 47 per cent of the Canadian government's planned expenditures.

[*English*]

Our objective, honourable senators, as I have said many times at the committee table, is to build more transparency, accountability, predictability and reliability into the supply process so that Canadians can understand what their government is doing. The government has absolutely no problem asking for money. It is a much bigger challenge for them to articulate what they are doing with the money.

Reporting standards are not obvious, honourable senators. There appears to be no discipline, and data in many cases is just not available. Let me provide you with some examples. For many departments and agencies, performance indicators for last year are still not available for Canadians. Here it is with us closing in on the end of Q1 and not all targets have been decided for 2018-19. In many instances, the 2018-19 performance indicators are different from previous years, so it is difficult, if not impossible, to see whether departments have improved or are on the right track for all Canadians. Actual spending for last year and planned spending for next year do not contain performance indicators. There is just no consistency.

Worse, the government has turned the supply process on its head, under the guise of much-needed reform. So amid the confusion, more confusion has been added to the process, with an outcome where there is less transparency, less accountability, less predictability and less reliability.

Allow me to take a moment to step back.

[*Translation*]

Honourable senators, these forecasts take into account the budgetary process reform strategy, which rests on four pillars and was announced shortly after the election. It seeks to improve Parliament's ability to scrutinize government spending. These four pillars are the alignment of the Main Estimates, scope and accounting for the budget and the estimates, changes to the vote structure, and changes to departmental plans and departmental reports.

• (1900)

For years, the estimates were presented before the budget and became redundant a few weeks after they were published. This year, the government released the estimates before the budget and included some, if not all, of the budget items and votes.

To facilitate this process, the government added another vote to the bill, the vote called "vote 40." When we pass this vote, we will in fact limit the Parliament of Canada's ability to study the 2018-19 expenditures. There will be no opportunity or requirement for the government to ask Parliament to authorize these expenditures.

[*English*]

Honourable senators, this is quite concerning. The government has argued that the appropriation bill before you today is fully up to date — based on Main Estimates tabled after the budget. However, the government fails to mention what Parliament has to give up to make that happen.

The committee would like you to be fully aware that the government added a vote in this bill before you today, vote 40, which will effectively allow them to bypass parliamentary approvals for the coming year. In addition, the government has removed the internal controls on this $7 billion.

Normally, requests would go through a rigorous Treasury Board submission process prior to presentation to cabinet. These funds will be decided by cabinet alone, the executive branch taking power of financial decisions alone — a point that I and others find to be quite troubling for all Canadians from coast to coast to coast.

Consequently, we want all Canadians to know the possibility exists that Parliament may lose track of government spending. Some senators, I have to admit, are so annoyed that they have referred to vote 40 as a slush fund reminiscent of the sponsorship scandal. The Parliamentary Budget Officer has raised a red flag by publicly expressing his concerns with this scheme.

When vote 40 is combined with data that is not readily available, confusing and not relevant, it is clear that this government comes up well short in terms of building more transparency, accountability, predictability and reliability into the supply process that Canadians direly need.

[*Translation*]

Honourable senators, once again, our concerns are well documented in our report on the Main Estimates 2018-19, which I moved the adoption of last week. This report covers only 14 departments and agencies with total expenditures of $129 billion and whose objective is to understand the changes that occur following the presentation of the new program plans.

Our committee will continue to invite these ministers, departments, and agencies to appear at various times throughout the fiscal year in order to allow the committee to again scrutinize their expenditures so that Canadians can understand this government's spending.

[*English*]

Honourable senators, let me conclude with some specific details on our findings.

Senators remain troubled by the reporting offered by officials from the Department of National Defence and the Canadian Armed Forces. Senators continue to have difficulty tracking billions of dollars allocated for the new defence policy announced in the summer of 2017 and not referenced in Budget 2018. The organization is seeking an increase of 9.2 per cent — $1.7 billion — in their budget for next year. This would increase their estimated budgetary expenditures from $19.2 billion to $20.4 billion. Officials attribute the increase to escalating costs of operations, military and civilian pay raises, and new initiatives in the defence policy.

Transport Canada estimated spending of $1.5 billion, including $697 million for operating expenditures, $123 million for capital expenditures, $471 million for grants and contributions, and $224 million for statutory authorities. This represents an increase of 16 per cent from our 2017-18 Main Estimates. This is largely attributable to new funding for the Oceans Protection Plan and the Trade and Transportation Corridors Initiative, both of which were announced last year in Budget 2017.

The Environment and Climate Change Canada request includes a total of $1.5 billion in planned spending, which represents an increase of $528.6 million, or 54 per cent, over last year's Main Estimates. When reviewing results from previous years, senators were troubled. Officials resisted the need to collate the data and make it easy to assess in one location. For example, for this department, data is available on a number of different websites and it is up to the parliamentarian to find them.

The Hon. the Speaker: I'm sorry, Senator Mockler; your time has expired. Are you asking for five more minutes?

Senator Mockler: With the indulgence of senators, I would ask for an additional five minutes, please.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Senators: Agreed.

Senator Mockler: It is difficult, honourable senators, to find results and performance indicators for long-standing departments like Environment and DND. It is next to impossible to figure out what the impact will be of the division of Indian and Northern Affairs into two departments, as was announced by the government on October 4, 2017. In order to compare, the total expenditure of Health Canada, Indian and Northern Affairs and Indigenous Services Canada for 2017-18 was $16 billion. The planned expenditure for 2018-19 for these three combined is now $14.5 billion — a surprising reduction given the talk of the government surrounding new relations with First Nations.

The new department of Crown-Indigenous Relations and Northern Affairs does not appear as a department in the Main Estimates. Its expenditure of $2.23 billion is currently in Indigenous Services Canada.

Again, due to the reorganization, these are all new performance indicators that cannot be compared to past programs so as to provide senators any confidence that the impact of this organizational change on the quality of life of Indigenous people will be measured effectively.

[*Translation*]

Honourable senators, the committee also heard from the Canada Mortgage and Housing Corporation; the Royal Canadian Mounted Police; Employment and Social Development Canada; Shared Services Canada; the Immigration and Refugee Board of Canada; Immigration, Refugees and Citizenship Canada; and Public Services and Procurement Canada. In all cases, it was difficult to find performance indicators. These indicators were not clearly defined or standardized, and they were not presented in a consistent way that Canadians could understand. This government said it was determined to increase transparency — not decrease it — but this is a problem for all Canadians.

The committee members expressed their concerns directly to the Clerk of the Privy Council.

[*English*]

Honourable senators, last year the total expensed by the government was $327.1 billion, which generated a deficit of $18.8 billion. The PBO estimates total expenses for 2018-19 will be $346 billion — and, guess what — resulting in a $22.1 billion deficit.

• (1910)

This year Main Estimates 2018-19 requests $275.97 billion, which is $18.1 billion or 7 per cent greater than total budget authorities identified in estimates 2017-18.

Honourable senators, at this stage, I would be pleased to do my best to respond to questions. If not, we can ask those questions to the ministers and also ask them to explain this to all Canadians.

With that, honourable senators, there is no doubt in my mind that the opposition will continue to monitor very closely the budget of Canada, and we will continue to work responsibly and with due diligence at the National Finance Committee.

Hon. Elizabeth Marshall: Honourable senators, I rise to speak to the report on the Main Estimates for 2018-19. As Senator Mockler has indicated, the Standing Senate Committee on National Finance held seven meetings and heard from 14 departments and agencies during their review of the Main Estimates.

The Main Estimates 2018-19 indicate total government spending of $276 billion. Of the $276 billion, parliamentary approval is being requested for only $113 billion or 41 per cent. The remaining amount of $163 billion has already been approved by statutes other than a supply bill.

Examples of statutory expenditures include: $40 billion for Old Age Security payments authorized under the Old Age Security Act; $38 billion for the Canada Health Transfer payments authorized under the Federal-Provincial Fiscal Arrangements Act; and $52 million paid to the Asian Infrastructure Investment Bank, relating to Canada's purchase of initial shares as authorized by the Asian Infrastructure Investment Agreement Act. In essence, only 41 per cent of estimated expenditures for 2018-19 require parliamentary approval at this time.

Also included under statutory expenditures is interest on the government debt. For this fiscal year, expenditures are estimated to be $26 billion, an increase of $2 billion over last year. The increase is attributable to an increase in government debt as well as an increase in interest rates.

Honourable senators may recall that the government's platform in 2015 committed to modest deficits and a balanced budget in 2019-20. This promise has long been forgotten and deficits are projected well into the future. The deficit for this year is projected to be $18 billion and government estimates that it will need to borrow $35 billion in addition to the refinancing of maturing debt.

Last year, the Borrowing Authority Act was enacted, establishing a limit on outstanding government and Crown corporation market debt in the amount of $1.168 trillion. Outstanding government and Crown corporation market debt in 2018-19 is projected to be $1.066 trillion, about $100 million less than the legislated maximum. This includes $755 billion relating to government and $311 billion relating to Crown corporations such as CMHC, the Export Development Corporation and the Business Development Bank of Canada.

To summarize, statutory payments include interest on government's debt and interest expenditures are projected to increase as the debt increases and as interest rates rise, from $24 billion in 2017-18, to $26 billion in this fiscal year; then to $28 billion next year; $30 billion the year after; $32 billion after that; and $33 billion in 2020.

Honourable senators, officials from the Department of Citizenship and Immigration, the Immigration and Refugee Board and Canada Border Services testified and explained that the majority of increased funding relates to the increase in immigration levels as well as incremental costs for eligible recipients and asylum seekers.

Most of the committee discussions revolved around the irregular migrants and the challenges these have on resources. Although several departments have been allocated funding for regular and irregular immigrants, officials from the Department of Citizenship and Immigration informed us that they now track the cost of the two streams individually. I would have expected this information to be readily available. However, these costs were not available during the testimony and will be provided to the Senate Finance Committee. To date we have not received this financial information.

The Immigration and Refugee Board informed us that while their Main Estimates have increased 5 per cent, or $6 million, over the last year, the board has been under considerable pressure for some time because of the increasing number of deferred asylum claims and the resulting increased backlog.

The pressure has increased significantly in the past 16 months with the increase in the number of people crossing the border between points of entry and then making an asylum claim. Refugee referrals rose from 16,000 in 2015, to 23,000 in 2016 and then to 47,000 in 2017. Pending inventory, as of April 2018, was 55,000 claims. The board projects it can finalize 30,000 claims per year. Port officials further indicated that it will be difficult to respond to the growing workload if additional funds are not allocated.

The department is overseeing a review of the refugee board to maximize the way in which funding is provided to the board in order to deal with the unpredictable intake levels. The report should be available this month.

The 2018-19 budget of the Canada Border Services Agency includes $46 million in new funding to manage growth associated with planned 2018 immigration levels. Despite media reports to the contrary, Canada Border Services assured us that the level of funding provided in 2018-19 will be sufficient.

Honourable senators, the creation of Crown-Indigenous Relations and Northern Affairs and Department of Indigenous Services Canada was announced in August 2017 and the two departments were created in November 2017 by order-in-council. Funding for the two departments has been transferred from the old Department of Indigenous and Northern Affairs Canada, as well as from the Department of Health. However, we were informed that the new departmental legislation is still in progress and corporate services remains in the former department and has yet to be split. For example, the finances of the two new departments are co-mingled in one department and have yet to be separated.

Department officials could not explain the transition of the 2017 budget of the former department to the 2018 budget of two new departments as there was interest in knowing whether budgetary allocations for 2018 have increased or decreased. In other words, it was not possible to track the budget from last year's budget to this year's budget.

I expected that this information would have been readily available. Departmental officials committed to provide this information. However, to date we have not received it. In

addition, the department will have to allocate its expenditures to one department or the other and I expect this will be a challenge for them.

Honourable senators, during the debate on Supplementary Estimates (C) on March 28, I spoke about Canada's new defence policy which was released exactly one year ago. The new defence policy commits to an increase in spending from $21 billion in 2017-18 to $32 billion in 2026-27. However, Budget 2018 does not indicate additional funding for new initiatives over the next five years for the Department of National Defence and its new defence policy.

Last March, the committee requested additional financial information to demonstrate how the funding for the department and the new defence policy will be phased in over the next 10 years. At that meeting, the Department of National Defence indicated that and this is what they told us, verbatim: "We do have the information for the budget for the next eight years," — that's ramping up to the $30 billion. The continued by saying that, "We do have it by vote and we could provide it to the committee." However, to date we have not received this information.

In February, the Parliamentary Budget Officer indicated during testimony that he had filed multiple information requests from the Department of National Defence and that the department had committed to get back to him by March 9 with details around the new defence policy. In his report in March, the Parliamentary Budget Officer stated that he had requested detailed financial data for the new defence policy in order to monitor the implementation of actual spending compared to plans. However, the Parliamentary Budget Officer has yet to receive all of the information which he had requested.

• (1920)

The government has made numerous commitments to an open and transparent government. They have also committed that government data and information should be open by default. Yet complete financial information to support the government's new defence policy is still not available.

Honourable senators, to speak to the Main Estimates 2018, I had to go back to 2016 when the government initiated a project to align the estimates with the budget. Prior to this year, the Main Estimates were released before the budget; therefore, the Main Estimates did not include any new budget initiatives which usually totalled billions of dollars of new programs which were not included in the Main Estimates. Throughout the year, new estimates would be included in the Supplementary Estimates (A), Supplementary Estimates (B) or Supplementary Estimates (C) for that same year.

However, all of the new budget initiatives for a particular year would not necessarily be included in that year's expenditure plan. Often budget initiatives for a particular year would not be included in that year but a subsequent year. This made it very difficult to track budget initiatives to determine when they were actually funded and implemented. For the past two and a half years, Treasury Board has been working toward aligning the budget with the Main Estimates. A number of briefings have been provided to parliamentarians, and the project has been a subject of discussion at most National Finance Committee meetings when Treasury Board officials testified.

This year, changes were made so that the budget was delivered before the Main Estimates, supposedly so Budget 2018 initiatives could be included in the 2018 Main Estimates. When the 2018 Main Estimates were released, the total estimated costs of all Budget 2018 initiatives totalling $7 billion were included as one line item entitled "Vote 40, Budget Implementation, $7 billion."

The Budget 2018 initiatives were not included in the respective departments, as we were led to believe. The supposed alignment was profoundly disappointing and was not reflective of the presentations by Treasury Board over the past two and a half years.

One wonders why it took Treasury Board two and a half years to find out how to total the cost of budget initiatives and reduce them to one line in the Main Estimates.

Vote 40 has been criticized by many parliamentarians as well as the present Parliamentary Budget Officer and the former Parliamentary Budget Officer for diminishing transparency and accountability. Jean-Denis Fréchette, the current Parliamentary Budget Officer, summarized his comments on vote 40 this way:

> The Government's approach to funding Budget 2018 initiatives provides parliamentarians with information that only marginally supports their deliberations and places fewer controls around the money it approves.

He went on to say that virtually none of the money requested in vote 40 has undergone scrutiny through the standard Treasury Board Submission process; it is unclear that the proposed vote wording would restrict the government to funding each Budget 2018 measure in the amount set out in Budget 2018 for each department and agency.

He further said:

> Over the past twenty years, the Executive Branch has gradually ceded additional support and control to Parliament.
>
> . . . Vote 40 would represent an important inflection point in this trend, where Parliament would now receive incomplete information and be able to exercise less control.

Former Parliamentary Budget Officer Kevin Page calls vote 40 highly unusual. He concluded that it's really unacceptable the way it is set up now. There is no way it's an improvement. He continues to explain that spending rests on a fundamental principle that the power of the purse rests with the Parliament, and we've completely undermined that principle by creating this massive central vote 40.

Here is an itemized list of my concerns regarding vote 40: In previous years, Treasury Board has scrutinized and assessed budget initiatives before they are presented to Parliament for approval. This year parliamentary approval is being requested before these initiatives are scrutinized and assessed by Treasury Board. There are often significant differences between the money announced in the budget compared to the amount that is ultimately approved by Treasury Board and presented to Parliament. There is no legal commitment that the monies allocated in vote 40 will actually be spent on the 2018 budget initiatives. Vote 40 is presented as one amount. For example, there is no allocation between operating capital and grants.

Last week, the President of the Treasury Board, the Honourable Scott Brison, met with the Standing Senate Committee on National Finance during which vote 40 was discussed. At that time, the minister, as in previous committee meetings, referenced Australia as the gold standard in terms of the budget and estimates process.

Given the many concerns expressed by parliamentarians in regard to vote 40, the current Parliamentary Budget Officer, the former Parliamentary Budget Officer and others, including the media, I posed two questions to the minister: "What, exactly, are we going to see at the end of the day when the estimates are reformed?" "What are the timelines?" "What year will we see the Australian gold standard reflected in our estimates?"

Unfortunately, none of these questions was answered.

Experience has shown that all budget initiatives are not allocated by year end. So what happens to the unallocated amount in vote 40?

Honourable senators, the Main Estimates for 2018-19 do not include any reference to the Kinder Morgan Trans Mountain expansion project since the Main Estimates were tabled before the government announced its agreement with Kinder Morgan on May 29 of this year. However, I expect a future bill, and future supplementary supplies, to provide supply as well as the financial statements of Export Development Canada to disclose more information on this agreement.

The agreement with Kinder Morgan relates to the purchase of the company's Trans Mountain expansion project and related pipeline and terminal assets for $4.5 billion. The transaction is expected to close in August of this year.

The agreement also guarantees the resumption of work for the summer construction season through a loan guarantee from Export Development Canada. We do not know the amount of the guarantee, but I expect this will be disclosed in the corporation's financial statements for 2017-18.

The Government of Alberta will also contribute to the project.

The Hon. the Speaker: Senator Marshall, your time has expired. Are you asking for five more minutes?

Is leave granted, honourable senators?

Hon. Senators: Agreed.

Senator Marshall: The Government of Alberta will also contribute to the project. Alberta's contribution would be as an emergency fund and would come into play if required due to unforeseen circumstances.

Although it has been reported that Alberta will contribute $2 billion, the amount of Alberta's contribution could be anywhere between zero dollars and $2 billion. Any contribution by Alberta will be recorded as equity or through profit-sharing arrangements.

The government has indicated that it does not intend to be the long-term owner of the project and has indicated it would support the new proponent with the following: That it will indemnify the new proponent for additional costs caused by discriminatory and unjustified actions of a province or municipality in an attempt to delay or obstruct the expansion.

Honourable senators, this project has significant financial implications for the government and for taxpayers, and I expect further details, including the agreement, will be provided by the government over the summer months.

I would like to make one final comment before I sit down because Senator Mockler did discuss the performance indicators, and I have not covered those. Performance indicators are a real problem in that quite often when we ask people about performance indicators, and he mentioned that Environment and Climate Change Canada referenced about 11 different documents if I wanted to look at performance indicators. I had asked, can't you put them all in one place? Can't they all go on the government's website?

I spend a lot of time on the government's website looking for information, and lots of times the performance indicators don't make sense. I know there was one there from Veterans Affairs that said that their target for implementing recommendations coming from someone was 80 per cent. Three years ago, they were at 97 per cent. Then they went down to 93 per cent and then down to 89 per cent. I said to the witness what it looks like is you arbitrarily determined that you're only going to accept 80 per cent of the recommendations, and that's what you're gearing toward. You were doing great; you were up at 97; but, no, you're going to go down to 80 per cent.

The official at the time said, "Well, I never thought about it that way." But a lot of the performance indicators don't make sense. They're not available. For example, there was a $55 million program at Veterans Affairs, and the source of the information that they're using in order to come up with these indicators is questionable. Quite often it's qualitative as opposed to quantitative. The performance indicators do need a good bit of work.

• (1930)

The other issue I find very challenging is that it's still very difficult to find or get financial information, and I mentioned a couple when I spoke.

One was the Department of National Defence. They've been in twice. They were here in March — maybe it was February — and they were in again a couple weeks ago. I'm asking for the same thing. They know we're looking for it, but they just don't provide it. So that was one issue.

Regarding immigration, on the irregular migrants, we're still waiting for that information.

From Indigenous Services Canada we're still waiting for that information to show how they went from one budget to two budgets and then end up with a total amount that's less than the previous year? It's very difficult to get the financial information.

The one that hasn't been mentioned is the cost of Phoenix. Everybody is citing a cost of $1 billion. We were told that the Comptroller General is actually doing some sort of assessment and totalling up the cost of Phoenix. I think it was supposed to be done in May and, of course, we still haven't seen that information either.

For the government's objective of being more transparent, open and accountable, it is still a challenge to find what I would consider to be very basic financial information.

Thank you very much.

The Hon. the Speaker: Senator Marshall, your time has expired once again, but I see a senator rising for a question. Are you asking for more time to answer a question?

Senator Marshall: Yes.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Senators: Agreed.

Hon. Carolyn Stewart Olsen: Thank you.

I don't sit on Finance and, to be honest, the estimates are a bit mind-boggling to someone like me, but I'm quite disturbed about the facts you stated in your speech.

In your assessment, is this inability to provide the numbers an effort by the government to hide them, or is it mismanagement in the departments? I don't understand. In most businesses, you can provide the information. That is a key part of what you do.

In your estimation, where is the major fault that we can't seem to get what's happening in the government with regard to spending?

Senator Marshall: That's a really good question. For some departments, they just take a long time and eventually you'll get something. But when the witnesses from National Defence came in the second time and I was still looking for the same information, I said to them, "There are two options here. It's either you've got the information and you won't give it to us, or you don't have it; and if you don't have it, that's really scary."

I can't go out on a limb and say that National Defence is deliberately withholding, although it's pretty close with them. I don't know if they have the information. Maybe they don't. But I would think in an organization when you're talking about millions and billions of dollars — and now we're talking about debt in the trillions of dollars — this is basic financial information.

National Defence made a big deal last year about Strong, Secure, Engaged, the defence policy. I can tell you now what I've come to with regard to National Defence. Because they haven't been providing the information, I actually attended a defence conference a couple weeks ago in the hopes that by going there — Senator Eaton went with me because she was interested in defence procurement — I could try to find out what the costs are. I can't reconcile what's in their new defence policy, which they're bragging about, or what's in the budget and what's in the estimates. It is quite concerning.

Hon. Pierrette Ringuette: Would you answer another question, Senator Marshall?

Senator Marshall: Yes.

Senator Ringuette: My experience on the National Finance Committee does relate to what you're saying in regards to asking questions and the officials saying, "Yes, we'll send you an answer," but at the end of the day, we never receive an answer. So I had asked at that time for the clerk of the committee to start a question and answer ledger so we could have a follow-up mechanism with the different departments. Can you tell me if that mechanism is in place?

Senator Marshall: Yes, the clerk follows up, and the clerk has always followed up, as you know when you were on the National Finance Committee. But to me, it still doesn't work satisfactorily. So what I had asked is that perhaps we can invite the clerk. I don't know if this is the right title. In Newfoundland, it's called Clerk of the Council or Clerk of the Executive Council. We have invited him to attend the National Finance Committee. I have a list of items I want to raise with him: One is the performance indicators and the other is the financial information.

The clerk has been following up, but we're going to try another route now to see if we can really beef it up.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: Agreed.

An Hon. Senator: On division.

(Motion agreed to, on division, and report adopted.)

CANADA LABOUR CODE
PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT
BUDGET IMPLEMENTATION ACT, 2017, NO. 1

BILL TO AMEND—FIFTEENTH REPORT OF HUMAN RIGHTS COMMITTEE ADOPTED

The Senate proceeded to consideration of the fifteenth report of the Standing Senate Committee on Human Rights (*Bill C-65, An Act to amend the Canada Labour Code (harassment and violence), the Parliamentary Employment and Staff Relations Act and the Budget Implementation Act, 2017, No. 1, with amendments and observations*), presented in the Senate on June 18, 2018.

Hon. Jane Cordy: moved the adoption of the report.

She said: Honourable senators, there were a number of amendments made at the committee, so I'll just work through them and if you have any questions, then I'll ask the presenter of the amendment to deal with it.

First of all, I'd like to thank the Human Rights Committee for the exceptional work we've done on this bill. On June 14, 2018, the Standing Senate Committee on Human Rights adopted Bill C-65, An Act to amend the Canada Labour Code (harassment and violence), the Parliamentary Employment and Staff Relations Act and the Budget Implementation Act, 2017, No. 1, with amendments and observations.

Bill C-65 amends the Canada Labour Code and the Parliamentary Employment and Staff Relations Act to enhance protection against harassment and violence in workplaces under federal jurisdiction and extends those protections to parliamentary workplaces. The committee's amendments reflected those suggested by witnesses, including the Canadian Human Rights Commission and the National Association of Women and the Law.

Amendment number one was to clause 0.1, page 1, replacing line 7.

The committee amended the definition of harassment and violence provided in Bill C-65 under clause 1 by replacing the word "mean" with the word "includes." The amendment is intended to broaden the definition of harassment and violence and ensure that it captures evolving types of harassment and violence in the workplace, because as we know, a workplace is not a stagnant body; it changes and evolves.

Amendment 2 was to clause 1, page 1, replacing lines 15 to 19.

Clause 1 of Bill C-65 was amended to recognize two additional purposes in relation to the Canada Labour Code. New subsection 122.1(b) of the code would ensure that the Canada Labour Code continues to recognize a right to employment free from harassment, including sexual harassment.

New subsection 122.1(c) of the code aims to reflect an intention to advance gender equality and protect the rights of workers who face intersecting forms of discrimination.

Amendment 3 introduced new clause 2.1, page 2, and added new text after line 6.

The committee amended Bill C-65 to new section 123.1 to the Canada Labour Code intended to address recommendations raised by witnesses that the legislation explicitly guarantee the ability of complainants to seek redress through the Canadian Human Rights Commission.

Amendment 4 was to clause 3, page 3, adding new text after line 8.

The committee amended clause 3 of Bill C-65 to add new subsections 125(1)(z.163) to the Canada Labour Code clarifying the duty of employers to ensure that the workplace is free from harassment and violence, in line with the committee's second amendment, adding new clause 1 to the bill. The amendment to clause 3 also adds new subsection 125(1) (z.164), which remains to address concerns raised by witnesses about the lack of information and training on the part of some individuals who receive complaints.

• (1940)

Amendment 5, clause 5, pages 4 and 5, new text added after line 25 and text replaced in line 11. Clause 5 of Bill C-65 was amended to replace subsection 127.1(4) of the Canada Labour Code to ensure that complainants are provided with reports in relation to their complaint, which is an element of due process.

Clause 5(4) of the bill was amended to allow the minister to refuse to investigate complaints that are an abuse of process, since the existing language, referring to "trivial, frivolous and vexatious" complaints echoes language used to invoke stereotypes and victim blaming.

Amendment 6, clause 11.1, pages 7 and 8, text replaced in line 37, text added following line 5. Clause 11.1 of Bill C-65 was amended to add subsection 139.1(2) to the Canada Labour Code to ensure that the minister's annual report contains and categorizes statistical information relating to the prohibited grounds of discrimination under the Canadian Human Rights Act.

Amendment 7, clause 21, pages 13 and 16, new text added on page 35, after line 35, text replaced on page 16 following line 1 and text added following line 10. Clause 21 of the bill was amended to add a new subsection 88(3) to the Parliamentary Employment and Staff Relations Act to clarify that the legislation does not abrogate or derogate from the rights provided for under the Canadian Human Rights Act.

And an additional amendment was made to add subsection 88.7(2) to the Parliamentary Employment and Staff Relations Act to ensure that identical provisions apply in respect of the statistical data about complaints that must be reported in relation to parliamentary employees and employees subject to the Canada Labour Code.

Hon. Salma Ataullahjan: Honourable senators, I rise to speak to the report of Bill C-65, An Act to amend the Canada Labour Code (harassment and violence), the Parliamentary Employment and Staff Relations Act and the Budget Implementation Act, 2017, No. 1.

Bill C-65 aims to protect federally regulated employees, including staff who work on Parliament Hill, from harassment and violence in the workplace and I am pleased to be the critic.

Over the span of two meetings last week, one extended in length, the Standing Senate Committee on Human Rights heard testimony from a number of witnesses, including the minister and the ministry officials, the Canadian Human Rights Commission, Senate Human Resource Directorate, National Association of Women and the Law, the Native Women's Association of Canada, a lawyer and a workplace investigator from Pink Larkin law firm, and a professional from the University of Toronto.

Additionally, the committee heard testimony in camera from five confidentially protected witnesses and received a number of written submissions from various organizations. All the witnesses agreed that it is vital to have such legislation in place and were supportive of the bill. However, it is noteworthy that the majority of the witnesses also made submissions to the committee about ways in which small amendments could make this bill significantly better.

These amendments were put forth by Senator Pate, as outlined by Senator Cordy, and are in alignment with testimony heard by the committee. For example, in her testimony, the Chief Commissioner of the Canadian Human Rights Commission said:

> The Canadian Human Rights Commission welcomes this bill's preventive regulatory regime. We want this bill to succeed in the same way that we want all other upcoming equality initiatives to succeed from pay equity legislation to the National Housing Strategy.
>
> We believe that all these regulatory regimes could go a long way to preventing human rights injustices before they happen. However, in order to achieve that success, it is imperative that these regulatory regimes be developed with regard to the very human rights they are intended to support.
>
> These regimes must not become confused with fundamental and quasi-constitutional human rights protections or human rights remedies. Instead, they must complement them. They must help point victims towards those human rights protections and towards human rights remedies.

The commissioner went on to say:

> What we would like to be made as clear as possible in the wording of this bill is this: Anyone in Canada experiencing harassment or workplace violence can still avail themselves of the protections in the Canadian Human Rights Act using a variety of pathways.

Further, she said:

> It must be made clear to everyone that the process in Bill C-65 can prevent harassment, but victims still have the right to seek human rights remedies if and when they so wish.

And additionally:

> On its face, Bill C-65 does not curtail any of these available pathways to human rights justice available to harassment victims. People need to know this. It needs to be clear. We believe that this bill must require the employer to inform victims of harassment right away on how to go about assessing their protections under the Canadian Human Rights Act.

This portion of the commission's testimony is addressed in amendments specifically by way of a new clause 2.1, to be added on page 2, and by way of an addition to clause 21, page 13 of the bill, as outlined by Senator Cordy.

I would also note that the Canadian Human Rights Commission officials were not the only witnesses to propose such amendments. It also formed part of the testimony of the National Association of Women and the Law.

I will not further address each of these amendments in detail, however, I will say that they are supported by the testimony presented in the committee.

Honourable senators, I understand that time is of the essence. I get it. However, by adopting the report with each small but important amendment, this chamber has an opportunity to include in the bill what witnesses have testified will offer more robust protections for federally regulated and parliamentary employees — our employees.

Should that, honourable senators, not be of paramount consideration? I'd say yes.

Before I conclude, I would like to take a moment to acknowledge the courage of the survivors who agreed to testify before the committee in camera. Their forthright and moving testimonies served only to solidify my belief in the necessity of this legislation.

I support this bill and wish it to be the best it can be. Therefore, I ask that you adopt the report on Bill C-65, including its amendments and observations.

The Hon. the Speaker *pro tempore*: Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: Agreed.

Some Hon. Senators: On division.

(Motion agreed to, on division, and report adopted.)

BILL TO AMEND—THIRD READING

The Hon. the Speaker *pro tempore*: Honourable senators, when shall this bill, as amended, be read the third time?

Hon. Nancy J. Hartling: Honourable senators, with leave of the Senate and notwithstanding rule 5-5(b), I move that the bill, as amended, be read the third time now.

The Hon. the Speaker *pro tempore*: Is leave granted, honourable senators?

Hon. Senators: Agreed.

Senator Hartling: First of all, I want to say happy belated Fathers' Day to all the fathers and grandfathers in this place. I hope you had a fantastic time with your families.

[*Translation*]

I am pleased to speak today to third reading stage of Bill C-65.

[*English*]

Honourable senators, I am heartened to see the strong support for Bill C-65. This is a testament to the recognized need by those who are called upon to bring an end to harassment and workplace violence in organizations under federal jurisdiction.

It is also a clear statement that parliamentarians are ready to take on the leadership role to eliminate toxic behaviours, not only in the workplace but in society as a whole.

[*Translation*]

This bill is about mutual respect. It is about inclusion and social justice.

[*English*]

These issues have been pervasive in our society and are long overdue to be addressed. It's time that we stopped tolerating behaviours that are fundamentally wrong and destructive. It's not just sexual harassment but bullying and abuses of power, including racism and micro-aggressions, that are harmful. A respectful workplace and change of our culture is imperative. *Psychology Today*, *New York Times*, *The Economist* and various articles, to name a few, have pointed out the need for a major overhaul toward cultural shifts in social norms and respectful workplaces that are necessary for society.

• (1950)

Sometimes, statistical facts may compel us to take action to make changes, but not always; sometimes we just gloss over them. But it's the personal stories that are most effective. I won't reiterate all of the studies from Angus Reid surveys or others, because I did so at second reading, as did others. To me, a change of culture comes from the will of the people in this place, taking the facts seriously but also listening deeply to the real voices of those who have experienced harassment or witnessed it, and those who are telling us that their workplace isn't respectful on many levels.

Honourable senators, I have heard these voices in my own former career over the last 34 years as I worked on matters of social justice; provided support, counselling and referrals; marching and speaking out; and working alongside thousands of survivors of abuse. I know the impact of human beings who have survived abuse — physical, mental, sexual, spiritual and financial. It's riveting.

Rick Torben wrote about organization culture change and stated that ". . . the culture of an organization is practically its DNA . . . deeply embedded in the system and is therefore extremely difficult to change."

I learned a great deal about change in organizations from my research on many levels, but what struck me was the need for leadership and accountability:

> Changing culture is a bit like changing the course of a large ship – it takes time to man oeuvre and whilst the engines are pushing one way the tides and winds are pushing another.

Coming from the East Coast, I can certainly identify with that.

The Government of Canada, with our support, can lead by example with the implementation of Bill C-65. Thanks to the minister and many staff who worked on this bill, we will continue to move it forward. I feel privileged to be the sponsor of this important piece of legislation, and the movements toward cultural change and changing our social norms.

It's in keeping with my deepest values and why I wanted to utilize my experience in this place, but laws are never enough. It's not the end; it's the beginning. Social movements such as the #MeToo and the #TimesUp campaigns are gaining traction, and I believe they are tipping points that are very crucial in a very important moment in history — a new era — and we must keep the ship on course. It's like the movements of the past, the Black rights movement, gay rights and feminist movement. I remember in the late 1970s, we had the movement about domestic violence. At first, people would say, "How can that be? How can that happen in families? How can professionals be the ones who are abusive?" We found out that, yes, this is all true — that abuse can happen to anyone and anyone can be an abuser. Just like here, my friends, anyone can be abused and anyone can be abusive.

But we are moving forward, and we are acknowledging our workplace needs change. I'm proud of the work of our Standing Senate Committee on Human Rights on the study of this bill, and I want to thank each member of the committee for their insight and participation during the profession: our chair, Senator Bernard, and Senator Cordy who stepped in. Our critic, Senator Ataullahjan, thank you very much. Senator Pate, thank you for your amendments.

A sincere thanks to the many witnesses who provided their perspectives and shared their views that helped to inform the committee on this bill. Last week, we had an in camera panel of witnesses who had been impacted personally by harassment on the Hill. I'd like to take this moment to once again thank them for their bravery in coming forward to testify in front of us. Your experiences are why we need change and why we need to move forward. I want to assure you and all other witnesses that your concerns have been heard and, although many of these concerns

may be addressed in the regulations, amendments and observations were made to the bill at the committee stage, which we heard about tonight.

Even though I believe that Bill C-65 was a good piece of legislation when it was first tabled, many important points were raised during committee meetings in both places. After careful consideration of these points, a number of amendments were made to Bill C-65 to make it even better. Several examples include: definitions of "harassment" and "violence" that will now be included in the Canada Labour Code; mandatory training for employees and employers on harassment and violence; former employees will be able to make complaints relating to an occurrence of harassment and violence, and have access to the same procedure for addressing their complaint as current employees; and to ensure that employees who wish to come forward with a complaint feel as comfortable as possible, an amendment was made to Bill C-65 to allow employees to complain to someone other than their supervisor.

A great deal of work has been done, but there's also much that remains to be done. Once the bill is passed, the government must also draft and implement the new regulations — regulations that will result in real change for Canadians working in federally regulated industries. Consultations are under way right now to ensure that we hear about what those regulations need to be. The sooner these regulations are in place, the sooner these employees will benefit from approved protections and supports to prevent and address workplace harassment and violence.

A total of over 900,000 employees in federally regulated employment areas are affected. Also, our parliamentary staff will be included in Bill C-65. We've all heard stories in this chamber and the other place — testimony ranging from inappropriate behaviours meant to humiliate and belittle, to stories of assault, including racism, and the abuse of power. These accounts illustrate how pervasive and harmful these behaviours are upon the individuals who experience them, as well as those around them and the places in which they are allowed to perpetuate. We cannot forget that the people who witness their colleagues being bullied and harassed are also affected. We need to know that's important as well.

Let us be an example to the rest of Canada and the world about what it truly means to foster workplaces free from harassment and violence of any kind. The premise is that everyone deserves respect and dignity. This is actually a reflection of our fundamental values and principles here in Canada. We have great people here in this place who understand the need for change.

Honourable senators, the bill will coordinate policies and laws with a unique and comprehensive approach that takes into account all types of harassment and violence, including sexual harassment and sexual violence. It proposes to broaden the scope of these laws and policies to include the staff working on the Hill, both in the Senate and the other chamber. Currently, victims of violence and harassment in the federally regulated workplaces are unsupported. They don't know where to turn. We have the opportunity to address this shortcoming and help them.

As I've shared previously, there are identified gaps in the Canada Labour Code as it is currently written. Under the current regime, violence is dealt with in Part II of the code, which covers occupational health and safety. It applies to all federally regulated workplace, including the public service. However, sexual harassment is dealt with in Part III of the code, which does not cover public servants but only the federally regulated private sector. On top of that, our parliamentary workplaces are not covered at all. This needs to be remedied.

Bill C-65 is designed to discuss these gaps. I call it the PRS, for short: P for prevention of incidents of harassment and violence; R for response — effective response — to these incidents; and S for support of affected employees as they go through the process. This is a significant approach and philosophy. The new regime puts the responsibility on employers to implement measures that prevent harassment and violence in their place of work as well as to respond effectively and support affected employees after the fact.

The fundamental premise is prevention. Employees will need to work with employers and workplace committees to put in place clear and meaningful prevention policies that address all forms of violence and harassment. Employers will also be required to take steps to ensure employees receive training and undergo training themselves. I was exhilarated last week — thank you, Senator Saint-Germain — when I saw the announcement in the news that the Standing Committee on Internal Economy, Budgets and Administration, issued a news release urging senators, their staff and members of the Senate Administration to take workplace harassment training before the end of the fiscal year.

[*Translation*]

Congratulations! I want to congratulate and thank the committee for its excellent work.

[*English*]

The second key element is about effectively responding to incidents when they do occur.

• (2000)

Under the new Canada Labour Code, employees will be required to investigate, record and report occurrences of harassment and violence. Employers will be required to make employees aware of the processes to follow if an incident of harassment or violence occurs. They will be required to respond to incidents without a specific time frame, trying to resolve the complaint and, if not successful, appointing a competent person to undertake an investigation. They will also be required to share information on the investigation with the complainant and, with appropriate privacy protections, the workplace committee.

Once the competent person has concluded his or her investigation and issued a report, the employer would be obligated to implement the corrective measures set out in that report. Details regarding the investigation would be set out in the regulations.

If the employee believes that the employer has not respected any parts of the code or regulations, they could file a complaint with the Labour Program. Labour Program officials would then investigate and take enforcement action if they find a contravention of the code or the regulations did occur.

We know that reporting an incident takes a lot of courage. Fear of reprisal and stigma associated with being a victim of harassment and violence can be powerful disincentives to reporting incidents. The proposed amendments will protect the privacy of the employees, encouraging those who are victimized to come forward. I also encourage bystander — or what they are calling "upstander" — training to be included in the training for those witnessing harmful behaviours of a co-worker, because this can be devastating, as I said earlier.

There are many training packages available, which would assist workers as to how to deal with the report about what they've witnessed, so they also need to be kept in the loop after the report is supported.

Finally, honourable senators, Bill C-65 will ensure support for affected employees. This bill will implement a large number of measures to support affected employees, ensure compliance with the purview of the Canada Labour Code and generate awareness and action throughout the country. In addition to requiring employers to provide support to affected employees, the amended code would require employers to engage with workplace committees.

In Budget 2018, the government has allocated $34.9 million over five years, starting in 2018-19, to support Bill C-65. This funding will be used to develop training programs for Labour Program inspectors, create an awareness campaign, provide educational materials and tools to workplace parties, hire additional Labour Program investigators, put in place an outreach hub accessible through the 1-800 number, and support regulatory development and enforcement activities. All of these are key supports to the legislation. Cultural change will come through awareness and educational materials and tools, but more importantly strong leadership.

Talking about these issues and informing everyone of their rights is a key component to sustainable change. Respectful work environments foster personal growth and allow people to express their talents and their skills. Most importantly, it provides protection for the affected individuals, many of whom have remained silent for too long.

If we are to reverse the trends that we have been experiencing, we must monitor this issue closely. I will be keenly interested in observing progress under the legislation. Both the employers and the Labour Program have annual reporting requirements, which will include data relating to harassment and violence in federally regulated workplaces and parliamentary workplaces.

My expectation is that this law and its non-legislative supports will set an example and a new standard for fairness and harmony in all workplaces in Canada. This will not change overnight, but this bill is the start of a long-term cultural change in our workplace.

Let me conclude by reiterating the following: A work environment that is free of harassment and violence should not be a privilege; it's a human right. Let's take the steps to support Bill C-65 and make it the beginning of a significant change to our workplace culture.

The Hon. the Speaker *pro tempore*: Senator Hartling, would you accept some questions?

Senator Hartling: Sure.

Hon. Mobina S. B. Jaffer: Thank you, Senator Hartling, for your good work. I also want to thank Senator Cordy and Senator Ataullahjan for their good work, and the Human Rights Committee.

We have Bill C-65 and we have the Human Resources Committee. As you are the expert, when I walk around, many of the employees — some who have come to your committee, some who have come to our Human Resources Committee — are all expecting something fairly soon. What do you think the first step should be and how soon should it be?

Senator Hartling: Thank you for the question. The first step would be to get the bill passed so we can start the process. I think that the work of CIBA under the Human Resources Subcommittee is also going to work with this, because Bill C-65 has to work with our Senate policy.

Moving the bill forward will help us get those regulations in place, and then we in the Senate can work with them so that they will be coordinated.

Senator Jaffer: I just assumed that the bill would pass. That wasn't the step I was looking at.

My worry is that we always have these bills and committees, and we raise expectations. Then there will be regulations and it will go on and on. And we raise the expectations of people who work with us. As an expert on this, what do you think we should be doing immediately?

Senator Hartling: I think that's a good question. We need to absolutely keep talking together about the steps we can go forward with. Maybe we can have awareness activities and talk about things.

I think this is the beginning. We should talk together. I feel like I know something about this, but all of you know something about this. I've heard from so many people here. I think we can have a conversation, but where do we go next? How do we keep this conversation moving?

Hon. Salma Ataullahjan: Honourable senators, I rise on debate to speak briefly as the critic in support of Bill C-65, An Act to amend the Canada Labour Code (harassment and violence), the Parliamentary Employment and Staff Relations Act and the Budget Implementation Act, 2017, No. 1.

I am pleased that the report of the Standing Senate Committee on Human Rights was adopted and would very much like to thank the sponsor of the bill, Senator Hartling, for all her hard work and dedication to this important piece of legislation, because safe workplaces, free of violence and harassment of any kind, are crucial for the welfare of Canadian employees.

I would also like to take this opportunity to thank Senator Bernard and Senator Cordy, as well as Senator Pate for the extensive work she did in bringing forth the amendments.

Legislation such as this is long overdue, but let me say that a shift in culture is also necessary and that we must all play an active role in the eradication of harassment and violence in the workplace.

Honourable senators, I have heard it said that this bill is a good start, and my response quite simply is: Why not then make it the strongest start possible? I support Bill C-65 as amended and ask that you do so as well.

Hon. Jane Cordy: Honourable senators, I rise today to speak in support of Bill C-65, An Act to amend the Canada Labour Code (harassment and violence), the Parliamentary Employment and Staff Relations Act and the Budget Implementation Act, 2017, No. 1.

I would like to begin by thanking Minister Hajdu and the government for bringing forward this legislation. Honourable senators, this legislation is long overdue. As the minister said at committee, this bill will not solve all the problems, but it is a great start. It should, hopefully, serve as a catalyst to change the culture of harassment on Parliament Hill.

Honourable senators, I would also like to thank the sponsor of the bill in the Senate, Senator Hartling, for her work in getting this bill through the Senate. This legislation, as I said earlier, is long overdue, and she has been an excellent champion of the bill. I would also like to thank the critic of the bill, Senator Ataullahjan, who has been very supportive of this bill throughout the process.

The protection of employees and ensuring a safe workplace is truly a non-partisan issue, which has been demonstrated by the unanimous support in the other place for Bill C-65. I want to thank the Human Resources Subcommittee of Internal Economy who released a report last week on harassment. And I think that working together with this bill, hopefully we will make a difference.

I also want to recognize the excellent work of the Human Rights Committee, of which I am a member. Facing the end of June and the summer recess, we were under a tight deadline to study this important bill. Nonetheless, we heard from many compelling witnesses and heard some very emotional testimony bringing to light the realities of the harassment, be it sexual harassment, psychological harassment or physical violence which unfortunately has been taking place on Parliament Hill for far too long.

• (2010)

Bill C-65 is an important first step to provide employees of federal regulated workplaces, including the Senate, the House of Commons and the Library of Parliament, with a comprehensive, integrative harassment reporting and investigative regime. Currently, there are separate policies to deal with workplace violence and sexual harassment under the Canada Labour Code. These two regimes are not equal. Each has its own set of requirements and resolution provisions.

Also, they do not cover the same workplaces. The sexual harassment provisions apply only to federally regulated private sector industries, while the violence provisions cover these plus the federal public service.

Shockingly, honourable senators, neither of these provisions applies to the employees of Parliament Hill.

In committee, we heard evidence of how the lack of harassment provisions for employees of Parliament has allowed harassment in all its forms to occur far too frequently, fostering a culture of fear for victims and impunity for perpetrators.

Employees who reported harassment often felt they could face very real reprisals. They worried that their reputations could be tarnished or that they would be labelled as troublemakers, essentially making them unemployable in the parliamentary precincts.

The balance of power on Parliament Hill is one-sided, and without a complaint process with independent investigative authority and confidentiality many acts of harassment simply go unreported.

I was very pleased that Senator Hartling spoke earlier today about bystander intervention. Honourable senators, if we see harassment happening to someone else, we must speak out; we cannot be silent. We also have to ensure that those bystanders who speak out are protected and do not receive harassment for their actions. Employees and employers should receive bystander intervention training. This was one of the observations that passed at committee, brought forward by Senator Hartling.

I also want to thank Senator Pate for her work in bringing forward amendments at committee.

My hope is that the passage of Bill C-65 will help shift the culture on Parliament Hill to that of a safe place for employees, free of harassment. This is a human rights issue, honourable senators. We need employees to feel safe reporting incidents of harassment and to help bring to light these actions.

Moreover, if these allegations are proven, we must ensure that adequate actions are taken in a timely manner. There has to be justice for victims, and it must be done in a timely way. We heard testimony that complaints made four to five years ago remain unresolved today. Honourable senators, this is unacceptable.

Colleagues, Bill C-65 is not perfect. We heard testimony about the shortcomings of the legislation and how it can be improved. I believe that amendments and observations go a long way to

improving this bill. The committee listened to the testimony and passed seven amendments and observations for the government's consideration.

I want to thank all the witnesses who provided such valuable testimony to our committee. I particularly want to thank the employees who testified in camera for their bravery in giving us a picture of harassment taking place on Parliament Hill. We have to do better.

Honourable senators, Bill C-65 is a great first step. Parliament is a unique place to work, and we are blessed to work here. However, we as senators must be vigilant and listen to our employees in order to make our workplace a safe and supportive place in which to work.

We have to do better for our employees, and I believe that Bill C-65 is a great first step. I strongly support this bill, and I hope we can pass it and send it to the other place quickly.

Thank you.

[*Translation*]

Hon. Pierre-Hugues Boisvenu: Honourable senators, I have a few words to share with you at third reading of Bill C-65. As you know, Conservatives have always been attentive to victims, and today I would like to speak in favour of this bill. My goal in agreeing to a Senate appointment was to condemn and combat all forms of violence perpetrated primarily against women in our society, violence that has a deep and lasting impact on them and even their families.

I come at this from the perspective of the Canadian Victims Bill of Rights, which I sponsored all the way through the legislative process in 2015. The bill of rights, as you know, is supra-constitutional, which means that it takes precedence over all laws to do with victims. The bill of rights recognizes four fundamental victims' rights, four pillars: the right to information, the right to protection, the right to participation, and the right to compensation. Policies and legislation must comply with those pillars. They must respect the rights and principles laid out in the bill of rights, which is the foundation of victims' rights in Canada. All policies must align with that foundation, giving victims no less than what the Canadian government recognized as their rights in 2015.

Victims have the right to information. Once a complaint is determined to be well founded and an investigation is under way, the right to information means that the employer must keep the person who filed the complaint informed throughout the process. Keeping victims in the dark adds to their stress level and may be viewed as a lack of commitment on the employer's part to handle the complaint diligently and with empathy.

For victims, the right to participation goes well beyond merely reporting their abuser. Victims want to be consulted whenever harassment policies are being improved. Their experience is sure to help improve these policies and make sure there are no more victims, if possible.

The right to protection is equally crucial. When victims report their abuser or harasser, employers should have a duty to protect them from any internal or external reprisals. Indeed, victims often choose not to report their abuser out of fear of not receiving proper protection.

As for the right to compensation, victims often tell us about the professional, social and economic consequences of reporting abuse. Employers must assume responsibility for compensating victims in such situations. It is unacceptable to re-victimize victims by forcing them to single-handedly bear all the costs associated with reporting their abuse. If a victim chooses to pursue civil action against their abuser or harasser, the employer should be responsible for providing financial support to ensure that the victim receives adequate legal representation.

As senators and as employers, we have a responsibility to protect our staff members and to heed any reports of harassment, bullying or assault. By extension, that responsibility also applies to any members of our staff who may witness such incidents and who have a duty to report them without fear of retaliation. For victims, a colleague who knows about an incident but doesn't say anything is complicit in the abuse.

Honourable senators, I wholeheartedly support Bill C-65. I would like the government to recognize that victims of harassment or abuse in our institution have rights, and these rights are an integral part of the principles that will guide the passage of future regulations following the implementation of the legislation being proposed in Bill C-65. Thank you.

• (2020)

[*English*]

Senator Mercer: I move adjournment of the debate.

Some Hon. Senators: No.

The Hon. the Speaker: It was moved by Honourable Senator Mercer, seconded by Honourable Senator Eggleton that further debate be adjourned until the next sitting of the Senate. Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: No.

The Hon. the Speaker: All those in favour of the motion will please say "yea."

Some Hon. Senators: Yea.

The Hon. the Speaker: All those opposed to the motion will please say "nay."

Some Hon. Senators: Nay.

The Hon. the Speaker: In my opinion, the "nays" have it.

On debate, Senator Saint-Germain.

[*Translation*]

Hon. Raymonde Saint-Germain: Honourable colleagues, I rise to speak briefly on behalf of the members of the Senate Subcommittee on Human Resources and to bring you a message of hope and optimism. The Senate, as an employer that will be subject to Bill C-65 once it is given Royal Assent, will lead the way in compliance.

The subcommittee heard from experts, union representatives and Senate staff at hearings in May and June as a proactive means of creating a workplace free of psychological or sexual harassment of any kind. Committee members recommended that all Senate employees take mandatory, customized training on the prevention of harassment and violence in the Senate.

The report recommended that senators and anyone with supervisory or managerial responsibilities within the Senate administration attend mandatory training on the prevention of harassment in the workplace by December 31, 2018. The report also recommended that senators' staff and all employees of the Senate administration attend the mandatory training by March 31, 2019.

Members of the committee are determined that the Senate will fully abide by Bill C-65 when it is given Royal Assent.

Dear colleagues, I want to emphasize the importance of the trust that all Senate and senators' employees put in the committee's work, as well as the trust that the members of the Standing Committee on Internal Economy, Budgets and Administration showed us by voting unanimously in favour of the subcommittee's recommendations. That shows a lot of sensitivity and good faith. There is room for hope since the Senate intends to be and to remain an employer that cares about preventing harassment and it has the realistic objective of implementing a zero-tolerance policy when it comes to harassment of any kind. I am confident that we will meet that objective.

Thank you for your support, honourable senators. I am hopeful for the future.

[*English*]

Hon. Mobina S. B. Jaffer: Honourable senators, I also rise on debate. I want to speak to my question to Senator Hartling as to what we should be doing right now. I heard the sponsor of the bill speak about regulations. As a member of the Senate Human Resources Subcommittee, I want to share with you one thing I have realized. I stand in front of all of you, colleagues, and say that no matter how many bills we pass, no matter how much training we do, if we don't have a change of culture, there will be no change.

Some speakers mentioned the Bystander Program. This is something the military has initiated, and they have said that has made a big difference. Senior people see things happen against other people in their workplace and report it.

Senators, I stand today and say yes, this bill will come through and will pass with amendments or not. However, I think that we should resolve now to change the culture. It seems like we are all committed to this. So let us start to change our culture today and initiate a Bystander Program. I also urge, as Senator Saint-Germain did, to please ensure that you and your staff do the training before December 31.

Honourable senators, as part of the Human Resources Committee, I must tell you that in the 17 years that I have been in the Senate I had no idea what some of our staff were suffering. I am ashamed to tell you that I had no idea of what they were suffering. So I stand before you and urge you not to wait for regulations or other things. Let us stand up for employees in the Senate so we make sure the change starts now. Thank you very much.

Some Hon. Senators: Question.

Hon. Marilou McPhedran: I know that it's important that we get to a vote as soon as possible. My remarks will be very brief.

I don't want to repeat excellent points made by previous speakers, but I do want to acknowledge the strong leadership from Minister Patty Hajdu in moving quickly and decisively in bringing this bill forward. I also wish to acknowledge Senator Hartling for her inclusive approach to sponsorship, and to colleagues on the Standing Senate Committee of Human Rights for their collaborative and efficient review of this bill.

I wish to speak more particularly about the role of former and present staff who have come forward in a variety of ways to raise awareness as to how retrograde the options available to them have been. They genuinely spoke truth to power. For every staffer who came forward, there are many who are still in the shadows. It is essential that the contributions of other witnesses, many representing civil society organizations who brought their experience and expertise that is not readily found on the Hill, be appreciated.

The essence of the amendments and observations in the report we accepted this evening, in fact, came for the most part from civil society experts.

[*Translation*]

Honourable colleagues, as senators, we must ensure that this bill becomes law, since it marks the start of a significant change in the modernization of the Senate, even though there is still a lot that remains to be done in this place.

[*English*]

The challenge has now been taken up by the Subcommittee on Human Resources chaired by Senator Saint-Germain. In addition to what will be provided by the implementation of the law on this bill, we have much to do.

Confidentiality is an important guarantee to protect and to provide due process, but secrecy of procedures is not the same as ensuring appropriate measures of confidentiality. Secrecy and lack of accountability for delays and mistreatment of complainants and witnesses have contributed to what we've heard here about how "I didn't know."

I do not want to take more time other than to say I started an inquiry in this place on this issue, I opened a confidential reporting line, and I make this promise here that for as long as I'm a senator, I will maintain that confidential line.

Thank you very much. *Meegwetch.*

The Hon. the Speaker: Are honourable senators ready for the question?

Some Hon. Senators: Question.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: Agreed.

Some Hon. Senators: On division.

(Motion agreed to and bill, as amended, read third time and passed, on division.)

• (2030)

CANNABIS BILL

BILL TO AMEND—MESSAGE FROM COMMONS—MOTION FOR CONCURRENCE IN COMMONS AMENDMENT AND NON-INSISTENCE UPON SENATE AMENDMENTS—DEBATE ADJOURNED

The Senate proceeded to consideration of the message from the House of Commons concerning Bill C-45, An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts:

Monday, June 18, 2018

ORDERED,—That a Message be sent to the Senate to acquaint their Honours that this House:

agrees with amendments 1, 2, 5, 6, 10, 11(b) and (c), 12, 13, 14, 15, 16, 17(b), 18, 19, 20, 21, 22, 24, 27, 28, 29, 30, 34, 35, 36 and 37 made by the Senate;

respectfully disagrees with amendment 3 because the government has been clear that provinces and territories are able to make additional restrictions on personal cultivation but that it is critically important to permit personal cultivation in order to support the government's objective of displacing the illegal market;

respectfully disagrees with amendments 4, 11(a) and 38 because they would be contrary to the stated purpose of the Cannabis Act to protect the health of young persons by restricting their access to cannabis;

respectfully disagrees with amendment 7 because the criminal penalties and the immigration consequences aim to prevent young people from accessing cannabis and to deter criminal activity by imposing serious criminal penalties for prohibited activities, including importing and exporting cannabis and using a young person to commit cannabis-related offences;

respectfully disagrees with amendment 8 because the Cannabis Act already includes comprehensive restrictions on promotion;

respectfully disagrees with amendment 9 because the Government has already committed to establishing THC limits in regulations, which will provide flexibility to make future adjustments based on new evidence and product innovation;

respectfully disagrees with amendments 17(a) and 25 because other Senate amendments that the House is accepting would provide the Minister with expanded powers to require security clearances, and because amendments 17(a) and 25 would present significant operational challenges and privacy concerns;

respectfully disagrees with amendment 23 because law enforcement has an obligation to maintain evidence unless there is a risk to health and safety, and provisions currently exist in the Cannabis Act to provide compensation should evidence be disposed of and ordered to be returned;

respectfully disagrees with amendment 26 because mechanisms already exist to provide for public scrutiny of federal regulations;

proposes that amendment 31 be amended by replacing the text of section 151.1 with the following text:

"**151.1 (1)** Three years after this section comes into force, the Minister must cause a review of this Act and its administration and operation to be conducted, including a review of the impact of this Act on public health and, in particular, on the health and consumption habits of young persons in respect of cannabis use, the impact of cannabis on Indigenous persons and communities, and the impact of the cultivation of cannabis plants in a dwelling-house.

(2) No later than 18 months after the day on which the review begins, the Minister must cause a report on the review, including any findings or recommendations resulting from it, to be laid before each House of Parliament.";

respectfully disagrees with amendment 32 because the Bill already provides for a comprehensive review of the core objectives of the Cannabis Act, including a requirement to table a report in Parliament and because the suggested amendment to amendment 31 provides for a review of the public health impacts of the Cannabis Act;

respectfully disagrees with amendment 33 because Parliament already has broad discretion to initiate studies of specific matters by parliamentary committees, and because the Bill already provides for a comprehensive review of the Cannabis Act, including a requirement to table a report in Parliament.

Hon. Peter Harder (Government Representative in the Senate) moved:

That the Senate agree to the amendment the House of Commons made to Senate amendment 31 to Bill C-45, An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts;

That the Senate do not insist on its amendments 3, 4, 7, 8, 9, 11(a), 17(a), 23, 25, 26, 32, 33 and 38, to which the House of Commons has disagreed; and

That a message be sent to the House of Commons to acquaint that house accordingly.

He said: I rise to speak to the message from the House of Commons on Bill C-45. If the Senate accepts this message, Parliament will have passed the legislation necessary to legalize and strictly regulate cannabis in Canada. Following a regulatory period of approximately 8 to 12 weeks, the government will proclaim Bill C-45 into force, lifting the criminal prohibition that has been in place for nearly 100 years. Canadians will then be able to legally purchase cannabis in stores across the country.

Passing this bill will mean the end of an historic era of prohibition that has punished Canadians with a criminal sanction for what is essentially a health decision. Over the years, how many Canadians have needlessly been given the social stigma and employment barrier of a criminal conviction? And how many public resources have been expended to achieve that result? As I speak to you today, of course, the criminal framework remains in full legal force.

With Bill C-45, we will end an ineffectual policy that has failed to protect our young people from the particular harms and risks of consuming cannabis at an early age. We will instead commit to a public health and education model already under way that has been extremely successful in reducing, for example, smoking rates for tobacco.

With Bill C-45, we will remove an unreasonable anxiety inflicted on millions of otherwise law-abiding adults, who consume cannabis in a manner that others may consume beer or wine. The state will at last respect an adult's ability to choose whether or not to consume cannabis. As well, the state will no longer deprive those individuals of harm reduction measures like accurate labelling for potency, quality assurances of no harmful contaminants, and alternative forms of consumption to smoking, which is so damaging to the lungs.

Honourable senators, there may come a day, perhaps in the not-too-distant future, when we remember prohibition as absurd. By ending prohibition, we also end an awkward and unnecessary irritation for police, enhancing respect for our criminal justice system by removing a crime that the public, we must surely admit, no longer takes seriously.

On the economic side, if we accept the message on Bill C-45, we will have passed legislation to begin the transfer of a $7 billion market from organized crime and illicit distributors to licensed Canadian producers. These new businesses will pay their taxes and create good-paying, long-term and sustainable jobs in our communities. How often do we find opportunities of this scale? If we pass Bill C-45, criminalization will end. Harm reduction will begin and so will the economic growth that will accompany a legitimate, strictly controlled marketplace.

The Senate has done a thorough job of conducting sober second thought in reviewing this legislation. Some might have liked to see things move along a little faster, but on a social change of such significance, the Senate has been on the thorough end of thorough.

Future students of Canadian political science may one day take the Senate's work on Bill C-45 as a case study. This may particularly be so with the institution in such transition and with national leaders currently proposing different visions for the Senate's future. How will they look at our decisions? These students might ask, "Did senators carry out their duties on behalf of Canadians according to the Senate's constitutional role? Did its work fulfill the functions and standards described by the Supreme Court of Canada? Did the appointed upper body conduct sober second thought that the country's founders envisioned?" I think the answer so far, senators, is a resounding "yes."

Turning to the motion before us, I now submit that the Senate should concur with the decision of Canada's elected members of Parliament. That chamber has accepted quite a number of amendments, and the government has noted our observations and responded to Indigenous concerns raised by senators by formalizing important commitments. Members of Parliament have disagreed with senators on some points, declining some amendments that have strong support in this chamber. I will go into the reasons shortly, but on the specific policies of Bill C-45, as always, elected members of Parliament will be accountable to the public for their decisions. It is time to respect those decisions and with cannabis legislation, Canadians are ready for us to move forward.

To put it into context, since Bill C-45 arrived in the Senate on November 28, nearly seven months ago, many senators have worked hard to review and improve this legislation.

First and foremost, I would join many Canadians in thanking our colleague Senator Tony Dean, the sponsor of Bill C-45, for his leadership and dedication in reviewing this major public policy change. Senator Dean's first priority has been to ensure that senators have a maximum amount of reliable, evidence-based information available to consider all aspects of Bill C-45. And drawing from our debates on medical assistance in dying, Senator Dean's drive to better organize these deliberations has, with the cooperation of all groups, made for more coherent, substantive and publicly accessible proceedings. Senator Dean's policy command, open mind and public interest focus have, for all of us, I think, demonstrated what bill sponsorship can be in the chamber of sober second thought. All Canadians should know that Senator Dean has worked tirelessly on their behalf.

Hon. Senators: Hear, hear!

Senator Harder: Let me thank all senators for your determination to deal with this bill in such a comprehensive fashion. You will remember the Committee of the Whole, when we heard directly from the cabinet ministers responsible for this bill: the Minister of Health, Ginette Petitpas Taylor; the Minister of Justice, Jody Wilson-Raybould; and the Minister of Public Safety and Emergency Preparedness, Ralph Goodale. We also heard from the Parliamentary Secretary to the Ministers of Health and Justice, Bill Blair. Mr. Blair's experience from nearly 40 years in law enforcement, including at the most senior leadership level, has been critical to advancing the legalization process responsibly and with an absolute focus on public health and public safety.

Over the past months, the Senate conducted reviews of Bill C-45 at five of its committees, bringing their focus and expertise to bear on important subjects. The Aboriginal Peoples Committee examined Indigenous concerns relating to legalization. The Legal and Constitutional Affairs Committee examined new deterrent measures in the bill to ensure cannabis is strictly controlled. The Foreign Affairs and International Trade Committee looked at Canada's international obligations. The National Security and Defence Committee studied issues relating to the border. And finally, the Social Affairs, Science and Technology Committee incorporated and balanced these perspectives in conducting its comprehensive review of the bill, with a focus on overall public health and safety.

Let me take a moment to recognize and thank committee leaderships and members who did so much of the hard work to raise important issues and bring them forward for further debate and deliberation. In particular, I would like to thank and acknowledge Social Affairs Committee Chair Art Eggleton. We are grateful for his leadership, judiciousness and experience in governance and legislating as that committee worked to consolidate and balance all the interests involved in this major social change. I believe the committee's comprehensive report will be foundational in guiding the legalization process as it moves forward and as Canada undoubtedly refines and improves our new system in the years ahead. Senators will, of course, continue to play an important role in monitoring and improving the national cannabis framework, including through Bill C-45's reporting and review mechanisms.

The Senate's five-committee study included testimony from over 200 witnesses representing various sectors and sources of expertise, from governments, Indigenous communities and organizations, law enforcement, professional associations, academia and business. These hearings allowed senators to identify issues of concern and to challenge the elected house to take a sober look at specifics and, where necessary, to do better.

The Aboriginal Peoples Committee fulfilled this function extremely well. The committee identified and advanced legitimate concerns about how cannabis legalization might affect Indigenous communities across Canada. As a result of this work, senators will know that the Minister of Health and the Minister of Indigenous Services, Jane Philpott, wrote letters to Senators Dyck and Tannas, chair and deputy chair of the committee, formally addressing important issues in Indigenous contexts. These issues include public health, culturally and linguistically specific educational materials, section 35 jurisdiction and new fiscal frameworks.

• (2040)

That letter formalized major government commitments to Indigenous partners in a transparent fashion. It also demonstrated once again that the Senate has come into its own as an effective, influential, and indeed indispensable platform in Parliament for the voices of Indigenous peoples. For Canada, true reconciliation with Indigenous peoples is necessary, and with the guidance of Indigenous leaders in the Senate, this chamber is doing some of the heavy lifting.

The Senate's thorough review of Bill C-45 led to many amendments, some of which have been accepted in the other place and some of which have been declined. Given the exceptional amount of work that went into the Senate's study of this bill, I understand that some of these outcomes are frustrating for some. I know that some of these frustrations are rooted in deeply held policy views and personal values and that much disagreement will not end with our vote on this message, whatever its result.

However, I wish to express to you that the government took all of your concerns seriously. In the end, as you know, the government disagreed on some points. As I said, I will go into the reasons the government has taken the views it has, which ministers — and in particular, the Minister of Health — has asked that I share with you on the record for their benefit in as detailed and transparent a fashion as possible. I would note that it is possible to listen and to disagree.

In fact, I'm surely about to cause that experience for some in this chamber.

Senator Plett: You already have.

Senator Harder: But I admit that where the government and ultimately the House of Commons has disagreed, it has done so respectfully and straight forwardly and in acknowledgment of the value the Senate has added to Canada's policies and debates surrounding cannabis legalization.

In the other place, the Minister of Health, the Honourable Ginette Petitpas Taylor expressed her gratitude for senate's work. She outlined the government's rationale for accepting some amendments and declining others. Let me start with those amendments the government has accepted.

First, the government agreed with the Senate amendment to increase the allowable period of time to pay a ticket from 30 to 60 days. This amendment will make it easier for individuals, especially those living in remote areas, to pay a fine on time.

The government also agreed with the Senate amendment to specify timelines for the three-year mandatory review of the legislation by establishing a deadline of 18 months to complete and table a report before both houses of Parliament. On the issue of reporting, I would emphasize that the message from the other place goes even further.

Indeed, the House has taken the initiative of specifying that the scope of the review will include the impact of cannabis legalization on Indigenous communities as well as the impact on home cultivation within the overall framework. These concerns were at the heart of senators' deliberations and their formalization in Bill C-45's reporting requirements gives these policy issues a central focus in the evaluation of the legalization framework going forward.

I know this change is short of what many senators wanted, particularly on home cultivation. However, this change is directly responsive to the Senate's work and will result in meaningful and transparent evaluations of Bill C-45's enacted policies.

This review and reporting requirement in Bill C-45 will allow Canadians and parliamentarians from both chambers to hold the government to account.

The government also agreed to amend the definition of "cannabis accessory" to ensure that products such as soil and fertilizers already federally regulated are not subject to the stringent restrictions on promotion that exist under Bill C-45.

These are a few examples of the improvements the Senate has made to public policy on cannabis legalization by way of amendments, in addition to the contributions through observations and the securing of government commitments.

Now let me speak to the amendments that the Senate proposed that the other place did not support.

I will start with the issue of home cultivation. The Senate proposed an amendment such that provinces could disallow home cultivation entirely. As it stands, Bill C-45 allows Canadians to cultivate up to four cannabis plants for personal use. Bill C-45 also allows provinces to heavily regulate and restrict how and where home cultivation may occur.

Most importantly, that includes through landlord-tenant agreements that can prohibit home cultivation for rentals, which is where we have heard much of the concern. Condo boards can also prohibit home cannabis cultivation for condo owners.

As Parliamentary Secretary Blair stated today in the house, the government has acknowledged that any province can place limits on the number of plants, up to four, and can place restrictions and regulations determining limits on location, safety, security and health concerns and the size of fences. They can also impose a requirement for permits and fees to be paid. Taking full advantage of the flexibility inherent in Bill C-45, many provinces plan to impose restrictions that they deem to be appropriate.

For example, Nova Scotia has indicated that it will allow landlords to prohibit cannabis cultivation and smoking in rental units.

New Brunswick has adopted lock and key provisions. Indoor cultivation must take place in a separate, locked space. Cannabis cultivated outdoors must be surrounded by a locked enclosure.

In Prince Edward Island, plants must be inaccessible to minors.

Saskatchewan has introduced amendments to its Residential Tenancies Amendment Act, giving landlords the right to impose rules prohibiting the possession, use and growth of cannabis in the rental unit.

Alberta would allow indoor personal cultivation only. In addition, Alberta has also made it clear that renters, condo dwellers and those who live in multi-family dwellings may be restricted from growing cannabis in their homes based on rules established in rental agreements or condominium bylaws and has committed to working to educate landlords, renters and condo boards on the options available to them.

In British Columbia, it is provided that no plant can be visible from a public space and an adult cannot grow cannabis plants at different dwelling houses at the same time.

The Northwest Territories has proposed amendments to their Condominium Act and Residential Tenancies Act specifying that tenancy agreements and condo bylaws can prohibit cannabis cultivation and smoking.

Some provinces and territories have prohibited cultivation in dwellings that are also a daycare, preschool or licensed family childcare home.

The point is, there is a lot of flexibility and a lot of ability to restrict and control home cultivation. In terms of the number of plants for private dwellings, provincial limits can include restricting home cultivation to a single plant. That is what we are down to, honourable senators, a single plant.

It is important to remember that the issue of home cultivation was carefully studied by the Task Force on Cannabis Legalization and Regulation and a subject brought forward as part of its cross-Canada consultation. The task force found overwhelming support among Canadians for home cultivation, with 92 per cent of the respondents in favour. Proponents cited a variety of arguments for allowing home cultivation, including cost, personal preferences and access for those in rural and remote communities.

The task force went on to recommend allowing home cultivation. It concluded:

> There was a recognition that banning home cultivation altogether would lead to increased criminalization of individuals and growth of the illicit market.

Bill C-45 contains many policy instruments to avoid these outcomes. One of these instruments, and in the government's view an indispensable one, is allowing adults to grow up to four cannabis plants, a number that provinces can restrict. As a stand-alone policy, it is obvious that allowing home cultivation would not be sufficient to meet the government's objective of displacing the illegal market. However, it is a key component of a greater whole. Excluding home cultivation altogether would, in the government's view, undermine the national objective pursued by Bill C-45 of reducing the ongoing criminal trade in cannabis and ending prohibition.

In the House of Commons in recent days, in addition to the members of the governing caucus, members of Parliament from the New Democratic Party and the Green Party as well as independents supported this policy view.

Personal cultivation will discourage people with limited access to legal cannabis from sourcing from the illicit market. Such persons would include those without easy access to a store or online platform: Lower-income persons who cannot afford the store price or persons living in rural and remote areas. In the broader sense, it is important to remember that Bill C-45's purpose is to legalize, regulate and strictly restrict access to cannabis across the country. In the view of members of the other place, a small amount of home cultivation furthers this overall purpose by discouraging a segment of the illicit market.

• (2050)

Authorizing a small amount of home cultivation is also consistent with Bill C-45's overall intent to create a federal framework for all recreational cannabis production, including through the proposed licensing system. This comprehensive framework, again, has been developed with the objective of supplanting the illicit market over time.

In addition to furthering this objective, the government is also of the policy view that adults should have the individual freedom to engage in a small amount of home cultivation on their own property. This activity is analogous to brewing beer or making wine at home for personal consumption. It would, of course, be subject to rental agreements or condo board rules, as I've outlined.

Frankly, honourable senators, some Canadians enjoy cultivation as an activity, and elected members of Parliament have chosen to afford them that freedom. With the end of criminal prohibition, members of Parliament simply do not want to see citizens penalized for this activity if individuals respect provincial limits and private agreements.

With respect to sharing with youth and social sharing, as Parliamentary Secretary Blair discussed in the other place, the Senate also proposed an amendment to prohibit prosecution by indictment where an 18- or 19-year-old distributes 5 grams or less of dried cannabis to a youth that is two years younger. In addition, the amendment would allow for tickets to be issued in such circumstances. Finally, this amendment would also allow for a parent or guardian to share cannabis with their 16- or 17-year-old children at home.

The government has respectfully declined that amendment, stating that, in its view, such an amendment is contrary to Bill C-45's objectives. The bill's purpose is to protect the health and safety of young persons by restricting their access to cannabis and strengthening penalties for adults who provide cannabis to minors or use them to commit cannabis-related offences.

Again, as Parliamentary Secretary Blair indicated, the parental exception created by this amendment would serve to create a legal supply channel in the Cannabis Act for 16- or 17-year-old teenagers or wards at home. A youth could, in turn, distribute up to 5 grams of dried cannabis received from a parent or guardian to youth outside the home. The reduction in potential severity of the distribution offence — that is, through the close-in-age Senate proposal — would, in turn, encourage such activity. The government would not wish to see such a consequence.

When it comes to preventing youth access to cannabis, the government is being clear that it wishes to take a strict approach and in no way condones youth usage of cannabis.

Another amendment that has been respectfully declined by the other place concerns the nexus of Bill C-45 and the Immigration and Refugee Protection Act, known as the IRPA.

The proposed amendment would amend Bill C-45 to create an exemption from the serious criminality provisions of the IRPA for a set of convictions under Bill C-45. The government has declined this amendment because, in its view, it is inappropriate to exempt certain classes of serious crime from the IRPA and not others.

In the case of Bill C-45, convictions for offences under Bill C-45 with repercussions under the IRPA include illegal selling or exporting cannabis or using a young person to do so. In addition to discretionary remedies at the level of law enforcement, individuals have access to existing discretionary relief mechanisms under Canada's immigration framework, including humanitarian and compassionate considerations.

That said, senators have identified an important issue. Senators have expressed concern about the immigration consequences of less serious convictions under Bill C-45 that nevertheless trigger serious criminality because of the offences' high maximum penalties, subject only to discretionary relief. The government recognizes the importance of this issue. In the government's view, the IRPA's approach to criminality should be consistent and comprehensive, but it should also be fair and compassionate.

Colleagues, I would like to read into the record a letter from the honourable Minister of Immigration, Refugees and Citizenship, Ahmed Hussen, to Senators Dean, Eggleton, Jaffer and Omidvar, who have raised this issue with the minister. Let me quote from his letter:

> I would like to thank you and your colleagues in the Senate for their dedication and hard work in examining both Bill C-45 and Bill C-46 over the past several months. I would also like to respond to some of the immigration concerns that have been raised with regard to the two Bills.
>
> As you are aware, our Government is committed to striking the right balance between making cannabis legally available to adults and protecting the health and safety of all Canadians, including young people. The stiff penalties included in Bills C-45 and C-46 aim to deter criminal activity and to keep our streets safe. At the same time, I appreciate your efforts to highlight the disproportionate immigration consequences that could result after these provisions come into force.
>
> I would like to assure you that I am committed to carefully considering and addressing the immigration consequences of Bills C-45 and C-46. My department is examining the tools within my authority to mitigate immigration consequences, including discretionary tools. Officials will also be proactively informing the public, including permanent residents, to make them aware of the possible immigration consequences for engaging in prohibited cannabis-related criminal activities as well as impaired driving involving drugs or alcohol.
>
> While I agree with the spirit of the proposed immigration-related amendments, I believe it is important to address the immigration consequences in a more comprehensive manner. By taking a more holistic approach, we will be able to consider how these new penalties affect all categories of immigrants including permanent residents with inside and outside Canada offences, as well as temporary residents. We will also be able to ensure that the approach is consistent with the overall framework for serious criminality, in the Immigration and Refugee Protection Act, rather than carving out exemptions for certain offences.
>
> To this end, I am committed to working with Senators and stakeholders to explore more comprehensive changes to immigration policies and take appropriate action that will effectively mitigate the immigration consequences that result from Bills C-45 and C-46.
>
> Thank you for your work on this file and I look forward to continued discussions on this important issue.

[Senator Harder]

I'd now like to turn to the issue of swag. The other place has respectfully declined the Senate amendment to impose further restrictions that would prohibit branding on anything that isn't cannabis itself. This amendment could prevent legitimate cannabis businesses from displaying their name or logo on a sign. Ontario's retail stores, for example, would not be able to indicate their location with signage featuring the store's logo.

In the government's view, this is a step too far. Such a restriction would hamper efforts to displace the illicit market, including through responsible and creative brand competition. Such a restriction also raises freedom of expression issues under the Charter, which, in the government's view, have not received sufficient scrutiny.

The government certainly acknowledges the need for branding restrictions to meet the policy objectives of discouraging youth consumption. However, the government has concluded that Bill C-45 and its regulations will provide adequate restrictions to protect youth from being influenced to use cannabis. The restrictions are evidence-based and informed by effective branding restrictions on tobacco.

A Senate amendment that proposed a THC-potency limit has been respectfully declined because the bill, as drafted, includes regulations to establish THC limits. Further, the bill provides flexibility to make future adjustments, as needed, should new evidence and new products require them.

As Parliamentary Secretary Blair noted in the other place, the Senate also adopted an amendment that would require the Minister of Health to collect and publicly disclose the names of every holder of a licence or permit, including persons who have control of or shares in corporations holding a licence. The amendment raises significant privacy concerns that have not been adequately scrutinized. This amendment would also likely engender a number of operational challenges. For example, the inherent volatility of shareholding in publicly traded corporations could make the proposed reporting requirements practically impossible to meet and could cause extreme delays in licensing.

• (2100)

Moreover, as Parliamentary Secretary Blair indicated, the amendment would also impose unprecedented requirements on businesses operating in the legal cannabis industry, making their treatment inconsistent with the treatment of businesses operating in other sectors of the Canadian economy.

The proposed act was carefully designed to ensure that its current provisions comply with privacy and other obligations and respect for the Charter.

The government has robust physical and personal security screening processes in place for the existing medical cannabis industry designed to guard against infiltration by organized crime. For example, all officers and directors of a company must undergo thorough law enforcement record checks prior to licensing.

As part of the new regulatory framework, Health Canada has proposed to expand the list of individuals that would require a security clearance to include the directors and officers of any controlling company in addition to those of the licensed company.

As you know, an amendment adopted by the Social Affairs Committee, and subsequently by this chamber, gave the Health Minister expanded powers to require security clearances for cannabis permit and licence holders. In the government's view, this framework strikes the right balance.

Returning of seized cannabis: A Senate amendment has been respectfully declined that would have relieved law enforcement of all responsibilities regarding the maintenance or preservation of seized cannabis plants. The amendment would also have established a regime for compensation for seized cannabis plants that have been ordered returned but have perished or been destroyed.

The government's reasons for declining this amendment are also as follows. Essentially, the provisions set out in Bill C-45 were modelled on the provisions of the Controlled Drugs and Substances Act, including clause 105, for expedited disposition if there are health and safety risks; and clause 106, to specifically destroy plants being produced contrary to the provision of the act or regulations.

However, a cannabis plant that has been seized by a peace officer falls into the jurisdiction of the court. The plant does not belong to a peace officer to do with as the peace officer pleases. At the very least, a peace officer must maintain the seized cannabis for evidentiary purposes of future proceedings.

There is no provision in Bill C-45 indicating that law enforcement must keep seized cannabis plants alive. Where cannabis has been destroyed on an expedited basis, proposed section 105, or was otherwise disposed of, Bill C-45 provides a mechanism for a court to order compensation equal to the value of the cannabis that was disposed of if a justice finds that a person is the lawful owner and entitled to possess cannabis.

Bill C-45 also allows the minister, on notice to the Attorney General, to cause the destruction of any cannabis plant that has been produced contrary to the proposed cannabis act, section 106. This approach is consistent with the approach taken in the Controlled Drugs and Substances Act in respect of controlled substances, which currently include cannabis, and is also consistent with government policy.

The Senate amendment requiring that future regulations regarding new cannabis products be presented in each house for 30 sitting days has been respectfully declined. The other place has concluded that mechanisms are in place to allow for public scrutiny of federal regulations.

As well, as I mentioned previously, the bill provides for a comprehensive review of the cannabis act, including the requirement to table a report in Parliament.

In addition to being unnecessary, the government has concluded that, from an operational perspective, such an amendment would be problematic. For example, the bill requires that the sale of edibles and concentrates be made legal no later than 12 months after the cannabis act comes into force. Comprehensive regulations for these products must therefore be in place.

However, in the interests of transparency, there will be public consultations on draft regulations. Indeed, the government has committed to consulting with Canadians on the development of regulations for cannabis edibles and concentrates this year.

Honourable senators, where the other place has disagreed with this chamber, public opinion has been alerted. With this message, elected members of Parliament have again expressed their views within an atmosphere of close public security. The subjects of disagreement have now been debated in the public discourse for many months. The Prime Minister, ministers and members of Parliament from all regions have weighed in on the public record.

To those senators who opposed this bill at second reading and again at third reading, but participated in good faith in committee and in the amendment processes, I want to thank you for your positive engagement and constructive work. I anticipate you will stay involved as the bill becomes law, for as Bill C-45 now makes clear, there will be a review process and the scrutiny of the Senate will be called upon once again.

To those honourable senators who have expressed broad agreement with the substance of the bill, thank you for your hard work in all our processes and for putting forward amendments in good faith. And most of all, on the big picture, thank you for supporting an end to cannabis prohibition in Canada.

Now, honourable senators, the Senate has given its sober second thought, and the House of Commons has made a decision. It is appropriate that the House of Commons decide the final form of Bill C-45. It is the elected members of Parliament who Canadians sent to Ottawa to make these decisions on their behalf. It is members of Parliament who will be accountable to citizens for the details of Bill C-45's policies and its implementation come the next election.

Finally, honourable senators, if we concur with the House of Commons, I think we will find most Canadians pleased with the manner in which we have discharged our constitutional role.

I therefore submit that we adopt the motion before us, accepting the message from the other place, and thereby passing historic legislation to end prohibition and legalize and strictly regulate and control cannabis in Canada.

Thank you.

The Hon. the Speaker: Senator Harder, will you take a question?

Senator Harder: Yes.

Hon. David Tkachuk: I have a few questions I would ask you to clarify.

You spent a lot of time talking about the issue of four plants. How did the government decide on four plants? Why not three, two, five, six, a garden? How did they decide on four?

Senator Harder: I thank the honourable senator for his question. The government, in its consultation advice from the task force which I referenced, expressed the view that it should be a limited number. It should be one that's easily identifiable and enforceable. As I indicated in my remarks, it is one where provinces, territories and communities can provide regulatory treatment to reduce that number or otherwise regulate the home grow of cannabis.

What the government has maintained, though, is that in order to achieve the objective of prohibition and strict regulation of the home market, the flexibility of other jurisdictions rests between one and four. As I indicated, other jurisdictions have begun to exercise that responsibility.

Senator Tkachuk: To follow up on that, you mentioned in your speech and you talked about the ability of the government to regulate the quality of cannabis. You also mentioned that it was a way to keep cannabis away from young children. Perhaps you could tell us how the government will regulate the quality of the cannabis grown in the home; and, two, how is it possible to convincingly tell the Canadian public that you're trying to keep it away from minors when you're letting people grow it in their own home?

Senator Harder: Thank you for the question, senator. Let me start with the last part and remind senators that the regulations surrounding the conditions in which home grow can take place are completely available to our partner provinces, municipalities and territories. Indeed, as I enumerated, a number of them are taking that control already and predicting how they would regulate and otherwise project home grow from the very youth the senator references.

• (2110)

With respect to the early part of the decision, that is, in fact, one of the tradeoffs. One of the advantages of the regulated market that will distribute legal cannabis for recreational purposes is the advantage of quality control and one that ought to be attractive to the consumer.

What this home grow does is act as a measured response to those Canadians who wish to cultivate on their own.

Senator Tkachuk: One more question. I remember when the government had metric police to make sure we were all following metric. How are you possibly going to regulate the quality of the marijuana and ingredients of marijuana in each person's home? Are you going to have police knock on their doors? Will you have a reporting system or video in the hallways? How is that going to be achieved?

Senator Harder: Senator, it's not a complete parallel, but let's say in the home wine making business, surely the government doesn't regulate the amount of alcohol in a bottle of wine that is home-brewed. There are no police going around in that respect.

Apples and oranges don't make wine — I suppose they do. What do I know?

What I do know is that the home grow proposal that the government has adopted in the law is one to respond to the desire by Canadians to have the ability to home cultivate for home consumption, not for distribution, and that is what is being provided for, along with strong and measured control of home grow by provinces, territories and municipalities.

Hon. Paul J. Massicotte: Senator Harder, would you accept another question? I want to talk about the home cultivation of plants. I certainly appreciate you're being sincere, but the answer I'm getting formally is to say that this will contribute significantly to the reduction of the black market. In fact, I think the Prime Minister refers to studies and articles, and I've searched, including the task force, studies that could indicate and give me comfort that there is a relationship between home growth and a reduction of the black market.

I've done a web search. The only article I came up with is a 2016 article in *The Atlantic* with a quote from Marco Vasquez who heads the Colorado Association of Police Chiefs marijuana working group, which says the opposite. Despite the fact they allow home growth similar to ours, there has been no reduction of the black market whatsoever, and I can find no relationship between home market production and the black market. Could you help me with that?

Senator Harder: Thank you for the question. I will make an observation with respect to the American experience, which is state-based and not national and the enforcement tools that one could imagine —

Some Hon. Senators: We can't hear you.

Senator Harder: Sorry, I'm trying to be polite and look at the questioner.

With respect to the subnational jurisdictions in the United States that have legalized recreational cannabis, it is not an entirely analogous situation to Canada because this is a national government. Rules and authorities around the regulation and the enforcement of the regime benefit from national treatment, so I just don't accept the Colorado findings.

With regard to the comments I made with respect to the reasons cited by the government to allow home grow, the desire is to not have the illicit market continue to have access to those who consume through home grow operations and would otherwise be enticed to the illicit market because of remote or northern communities or, perhaps, affinities of relationships that

are pre-existing. The government is seeking to do all it can to constrain and, over time, eliminate the illicit market. That is one of the reasons for allowing home grow of up to four plants but being able to restrict down to one.

Restricting further would undermine the other pillar of the full effort here, which is to end prohibition. Should Parliament wish, we will end prohibition and have very strict regulation and control of cannabis in this country.

Senator Massicotte: I appreciate the clarification. I certainly recognize that every jurisdiction is different, but I wouldn't mind if I could get a copy of the studies the Prime Minister referred to that exist and that show the direct correlation between the black market and the number of plants in the home. Could we get that information?

Senator Harder: I will make every effort.

Hon. Lillian Eva Dyck: Would you take another question? My question also deals with home cultivation.

You were talking about rental housing units such as condos and apartments where the landlord or the condo board could impose restrictions. I'm not sure whether you said they could restrict it to one or zero plants.

Senator Harder: They can restrict it to zero.

Senator Dyck: They can restrict it to zero? Interesting.

My follow-up question has to do with on-reserve housing. As you know, on reserves most housing is social housing. It's rental, and many reserves have housing authorities that set the housing policy. The housing board or a group on the reserve could set a policy saying they will not allow homegrown in social housing houses.

Senator Harder: Senator, where organizations have that legal capacity to restrict through condo or other regulatory features, that is possible.

Senator Dyck: Could you find out and let us know whether the housing authorities on reserves have that kind of legal authority? I think that's very important information for individual First Nation reserves to know.

Senator Harder: Yes, I will do so.

Hon. Art Eggleton: I have a question for Senator Harder.

I think we're familiar with situations in a home. This is about social sharing, where a glass of wine or beer may be passed on to a younger person in the family during a festive season meal. I suppose that's technically illegal, but no one ever pays attention to that. I suppose the father or the mother, the adult, could get a fine, but that doesn't ever seem to happen.

But in this particular case, the government's drawing a very clear line by not accepting an amendment put forward and adopted by this house. In fact, the parent in this case could become a criminal, which seems very much out of place with the concept of the glass of wine or the beer and, after all, the government has been saying that cannabis is no worse than alcohol.

You said tonight that criminalization will end with this bill. How do you reconcile that with social sharing?

Senator Harder: Thank you, senator, for your question. As I indicated in my remarks, the government's view is that to move forward with this piece of legislation it is important to strictly regulate the distribution of cannabis to youth that are not of age, depending on the jurisdiction, and that message is one that is very important for parents and for other youths to hear lest we inadvertently create an incentive for underage consumption.

Senator Eggleton: I'm not very satisfied with that answer. I know what you're saying in terms of the government's position, but it hasn't answered the concern that led to the amendment. It hasn't answered the concern that we have about this issue of social sharing.

• (2120)

Another aspect of social sharing — and this is something that we hear about commonly — is that if a bunch of young people are together, and they're passing a joint around, some of them could be under 18 and some of them could be over 18. They could be very close in age. Yet the government is taking a very hard line between 17 and 18, as an example.

Senator Plett: Good for them.

Senator Eggleton: You may think so.

Senator Plett: I do.

Senator Eggleton: The concern here is that even 18-, 19- or 20-year-olds are young people too, maybe not in terms of the age of majority and the law, but even the Prime Minister recognizes youth as being into their 20s. He has the Youth Council that goes between ages 16 and 24.

Here, a very hard line is being drawn that someone at 18 could be given a criminal record, which, as you said in your remarks, would be unfortunate because they will have difficulties with getting a job, the stigma and all the other things.

Why does the government take such a hard line between those two ages?

Senator Harder: Again, senator, let's agree to disagree. The government has concluded in respect of social sharing that it is indeed comfortable taking what you call a strict line because it is of the view that as we implement the legalization and strict

control of cannabis we must send a message to youth and parents as to where the lines are in terms of ensuring the protection of those who are outside of legal consumption age.

That is a view the government has formed consistent with its overall architecture of this bill. I understand it is one that not all senators will agree with, but I would ask you to respect the ability of governments to make those decisions.

The Hon. the Speaker: Senator Harder, you are now well past 50 minutes of your time, but I see a couple of other senators standing who wish to ask questions.

Are you prepared to take some more questions?

Senator Harder: Certainly.

[*Translation*]

Hon. Éric Forest: Senator Harder, I have an important question for you. I don't understand the House of Commons' logic. It is giving property owners the right to prohibit the cultivation of cannabis on their property, be it a condominium or apartment, but it is not giving this same power to a government duly elected by the same Canadians who elect the members in the other place. I don't understand the basic logic of Canada's legislative system. Individuals are being given a right that duly elected governments are not. The provinces are said to have the power to limit the number of plants through legislation, but zero is also a number.

[*English*]

Senator Harder: I thank the honourable senator for his question.

Let me repeat that the government's view of the legislative pillars is ending prohibition, strictly regulating and controlling the distribution of cannabis, and undermining the illicit market. As part of that architecture, you will know that the government has entered into a large number of discussions with provinces as to how enforcement and distribution will take place and how the proceeds will be shared from revenues.

With respect to home cultivation, it has said, "The architecture of our bill is clear, but we do recognize that jurisdictions might wish to restrict lower than four, but when you go to zero you're undermining the prohibition imperative, which is fundamental to undermining the illicit market."

There is a good deal of flexibility the provinces and territories are already intending on exercising. What that flexibility doesn't allow is going to zero because of the policy challenges that would face.

In respect of the provinces that have legislated to zero, the Government of Canada has said that it will not take them to court, but individual Canadians who have the right now to home cultivation within the prescribed regulatory frameworks may do that.

With respect to the point you make about an elected government at the provincial level, absolutely, but also remember, if we're talking about Quebec, that earlier today 56 members of Parliament from Quebec voted to support the message as I've said it. Those represented not just Liberal members of Parliament but all New Democratic Party members from Quebec.

They would feel equally entitled to express their views of what is in Quebec's interest, what is in their communities' interests and what is in their constituents' interests. I would ask that we, an unelected chamber, respect that.

Hon. Victor Oh: Senator Harder, I want to reconfirm that you mentioned condominium boards earlier. They can set a bylaw to ban anything they think is not suitable for condominium living.

Would the condominium bylaw supersede the government's regulation on home cultivation?

Senator Harder: Senator, I have indicated the government is intending on working with condominium associations and other multiple dwelling associations to remind them of their jurisdiction to regulate through agreements the restrictions on home cultivation. It's one area where I've indicated that a number of provinces have already indicated they will be doing that, and it's one that helps balance the rights of an individual who owns a dwelling and the rights of a condo that holds it in common or an owner who owns a building that is a rental unit.

[*Translation*]

Hon. Ghislain Maltais: Senator Harder, we are in Parliament, and we're about to vote on a law that affects all Canadians. If some Canadians break this law, they will be charged.

A week ago, Quebec passed Bill 157, which prohibits citizens from growing cannabis in their home. How will Quebecers reconcile these two pieces of legislation in a few days? One of them will be enforced in Quebec, and the Sûreté du Québec will be responsible for enforcing it. The other comes from the federal Parliament, and the RCMP will be responsible for enforcing it.

The Hon. the Speaker: Senator Maltais, do you have a question?

Senator Maltais: How are they to reconcile these two acts without resorting to civil disobedience?

[*English*]

Senator Harder: Senator, welcome to federalism in Canada. The Government of Canada has respectfully established the parameters of a national framework for the legalization of cannabis that absolutely requires the cooperation of provinces in the coming into force of that law. As I mentioned, there are a number of ways in which both the government's legislative framework and implementation intend that cooperation to extend.

Again, from a national framework point of view, it has allowed home cultivation and allowed provinces, territories and municipalities to form some restrictions, short of prohibition. In the scenario you're describing, that will obviously be one that may well end up with some legal guidance from the courts.

At least I want senators to understand the policy parameters around the government's position, which is entirely consistent with the overall framework of this legislation.

• (2130)

[*Translation*]

Senator Maltais: Yes, but I would remind you that given your age, I have been a Canadian for longer than you have.

Quebecers are caught in the middle. The courts are their only recourse. Is it normal for Parliament to pass legislation that will automatically send Quebecers to the Supreme Court?

[*English*]

Senator Harder: Well, senator, I guess we could say we live in hope that the Government of Quebec will change its point of view. If not, the framework that the government has articulated and the delegation of restraining and constricting home grow are those that the government has articulated.

(On motion of Senator Martin, debate adjourned.)

BUDGET IMPLEMENTATION BILL, 2018, NO. 1

TWENTY-NINTH REPORT OF NATIONAL FINANCE COMMITTEE ON SUBJECT MATTER—DEBATE ADJOURNED

The Senate proceeded to consideration of the twenty-ninth report of the Standing Senate Committee on National Finance (*Subject matter of Bill C-74, An Act to implement certain provisions of the budget tabled in Parliament on February 27, 2018 and other measures*), tabled in the Senate on June 12, 2018.

Hon. Percy Mockler: Honourable senators, I want to share some comments and observations on Bill C-74.

The government is engaging in an unprecedented level of borrowing — the facts are in the document — matched by significant tax increases. It is evident that borrowing is growing with the government in question.

As confusion persists, when the Minister of Finance stood before Parliament to defend Budget 2018, we were not aware that at that time he was going to buy a pipeline — a pipeline that, by every indication, is entirely commercially viable but can't be built because of the uncertain regulatory and legal environment this government has itself put in place.

Honourable senators, the government has put in place serious regulatory impediments to resource development and is actually planning to put in place even more such impediments — all the while, protectionism is growing south of the border and taxes are being reduced. Quite honestly, I find it incomprehensible and disturbing.

Honourable senators, over the past several weeks, eight Senate committees have studied the impact of this bill on ordinary Canadians from coast to coast to coast.

[*Translation*]

Honourable senators, I would like to mention some of these committees' findings. First, the report of the Standing Senate Committee on National Finance on the pre-study of the bill raised a number of major concerns about the current government's tax proposals, including the very complex rule on income splitting that imposes an administrative burden on Canadians.

As the chair of the Standing Senate Committee on Agriculture and Forestry, Senator Griffin, often said, these rules add red tape to small family farms that are not used to keeping track of the hours that the owners and their family members work, which makes it difficult to comply with the new income splitting tax exemption. The agricultural sector, which is very important to our economy, is deeply concerned.

[*English*]

Compounding this, there is also confusion about what the Canada Revenue Agency will consider to be a "reasonable" distribution of income. Witnesses reported to us that the rules are quite unclear and that additional administrative guidance will be needed.

Honourable senators, this lack of clarity and confusion will not only hurt many individual Canadian entrepreneurs, it will also harm Canada's ability to maintain its tax competitiveness — even as the United States is aggressively pushing to enhance its own tax competitiveness worldwide, and especially in North America.

The pre-study of the Finance Committee also confirms what we already learned in our study of the government's proposal to legalize cannabis, namely, that the proposed excise duty framework for cannabis products is unlikely to help the government achieve its declared objective of taking over a significant portion of the illicit cannabis market. Many professionals are of the same opinion.

When the very raison d'être of government legislation is undermined by the provisions contained in that legislation, one can only come to the conclusion that the initiative suffers from a serious absence of policy analysis.

[*Translation*]

Honourable senators, the pre-study of the provisions of Bill C-74 on carbon pricing conducted by the Standing Senate Committee on Energy, the Environment and Natural Resources also raised concerns among many witnesses from across the

country on the competitiveness of Canadian industries in a global market where not every country has carbon pricing. Many said they were concerned that carbon pricing has an economic impact and a direct impact on emissions leakage. Companies and investors will turn to markets that do not have carbon pricing and there will be no real reduction in greenhouse gas emissions.

[*English*]

At the Standing Senate Committee on Energy, the Environment and Natural Resources, such concerns were expressed by the Railway Association of Canada, the Canadian Trucking Alliance, the National Airlines Council of Canada and the St. Lawrence Shipoperators, to name a few.

Honourable senators, our dear friend and colleague Senator Patterson reminds us over and over again, with much passion, of the direct impact the content of this bill will have on his community. Remote and northern communities, as well as the Government of Nunavut, expressed very real concerns about the disproportionate impact that carbon pricing will have on their communities and people.

Honourable senators, I want to also refer to the serious concerns raised by the Senate Banking Committee about Part 6, Division 16, subdivision (a) of Bill C-74 — provisions that will allow federally regulated financial institutions to engage in technology-related financial activities and to invest in fintech companies that provide financial services.

At committee, the Privacy Commissioner raised serious concerns about these proposals. He noted that neither he nor his office had been consulted and that this subdivision in the bill:

> . . . removes the current impediments for federally regulated financial institutions to share personal information with financial technology organizations (FinTechs), without ensuring that parallel legislative measures are also adopted to ensure adequate privacy protection.

• (2140)

Many senators I know have expressed significant concerns about the cybersecurity practises of fintech companies and the security of consumers' personal information. Nonetheless, I agree with Senator Mitchell when he told me:

> It is worth noting that absolutely fundamental to a bank's success is keeping client information confidential.

This is a reasonable question, and I quote:

> Who would deal with a bank that did not honour that confidentiality? The risk to a bank's reputation in contravening that principle is simply so high as to beg the question as to why they would ever do it.

Honourable senators, I encourage you to reflect upon this when considering the present bill and the implementation. Collectively, many of us spent hours reviewing a bill that is about 600 pages in length. We only had a few short weeks to accomplish a thorough review.

I now wish to thank all those who appeared before our committees. Some of those witnesses continue to bang on our doors, and I hope that, in the long term at least, their testimony will not be fruitless. The concerns that have been raised will be conveyed to the government through observations presented by all eight committees that studied this bill.

Honourable senators, in conclusion, as chair of the National Finance Committee, I want to recognize and thank the clerk, the analysts and our staff behind the scenes who helped us do our work. As for the steering committee, the deputy chairs, Senators Jaffer and Pratte, thank you for your support to advance the agenda of the Finance Committee.

To all members of the Finance Committee who put a lot of time and work into the committee, I say to each of you, "Job well done; mission accomplished."

(On motion of Senator Martin, debate adjourned.)

[*Translation*]

LIBRARY OF PARLIAMENT

SECOND REPORT OF JOINT COMMITTEE ADOPTED

The Senate proceeded to consideration of the second report of the Standing Joint Committee on the Library of Parliament, entitled *Nomination of Parliamentary Librarian*, presented in the Senate on June 14, 2018.

Hon. Lucie Moncion moved the adoption of the report.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: Agreed.

(Motion agreed to and report adopted.)

(At 9:45 p.m., the Senate was continued until tomorrow at 2 p.m.)

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